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Posted By: Evelyn Baker
Witnessed By: _____

**MINUTES OF A REGULAR MEETING
OF THE JACKSON COUNTY
BOARD OF COMMISSIONERS
HELD ON
SEPTEMBER 1, 2009**

The Jackson County Board of Commissioners met in a Regular Meeting on September 1, 2009 at 6:30 p.m., 401 Grindstaff Cove Road, Room A201, Sylva, North Carolina.

Present: Brian T. McMahan, Chairman
Tom Massie, Vice Chair
Joe Cowan, Commissioner
Mark Jones, Commissioner
William Shelton, Commissioner

Ken Westmoreland, County Manager
Evelyn B. Baker, Clerk to Board
W. Paul Holt, Jr., County Attorney

Chairman McMahan called the meeting to order.

AGENDA: Chairman McMahan added Honor Air Flights, WRGC Proposal and Resolution Approving Financing Terms. Commissioner Massie moved to approve the amended Agenda. Commissioner Shelton seconded the Motion. Motion carried.

MINUTES: Commissioner Massie moved to approve the Minutes of the Public Hearing and Regular Meeting of August 17, 2009. Commissioner Cowan seconded the Motion. Motion carried.

INFORMAL COMMENTS BY THE PUBLIC:

(a) Starlotte Deitz of Dillsboro stated that public waterways located in the county provide the raw material for Duke Energy to make money. In 2008, the net generation was \$60,893,000 with a total production cost of \$361,496. Production cost per kilowatt-hour was \$0.0059 with a retail value of \$0.12/kwh for a net amount of \$7,307,160. The total projects (Thorpe, Tanassee Creek, Bear Creek, Cedar Creek, Tuckaseegee) generated \$131,117,000 with a retail value of \$0.12/kwh for a net amount of \$15,734,040. Duke Energy has made a lot of money from those projects but is now requesting a 12.6% rate increase beginning January 1, 2010. There should not be an increase; Duke should be giving back to the county.

(b) Mary Otto Selzer, Friends of the Library, reported on the status of the fund raising campaign. The State Employees Credit Union Foundation has awarded a \$250,000 challenge grant which means it will match dollar for dollar all money raised from July 1, 2009 through June 30, 2010 up to \$250,000. The foundation has requested that the two-story glass atrium and small courtyard be named "The SECU Connector". If the grant match is successful, fund raising will be within about \$30,000 of the \$1.6 million goal.

(c) Susan Rayner requested a permanent license for the Cashiers Tailgate Market. She stated that she represented approximately 20 vendors from Jackson and Macon counties. The tailgate market was organized in April 2009 for the purpose of providing a venue for marketing of locally grown produce in the Cashiers-Glenville-Highlands area. The market is open twice weekly for the convenience of the public. The clients share a respect for locally grown, reasonably priced organic produce and local crafts. Vendors can only sell products that are produced locally. They have a complete set of by-laws regulating vendors.

(1) CHAIRMAN'S REPORT: Chairman McMahan reported that he, Commissioner Massie and Mr. Westmoreland attended the NCACC Annual Conference in Hickory last week. The focus of the conference was "sustainability".

He stated that in October 2007, the Board was faced with employee turn over problems in various departments because of unfair compensation and trying to retain long-term employees who were not being fairly compensated based on salaries in other comparable counties. The Mercer Group was hired in October 2007 at a cost of \$25,000 to do a salary study. A very in-depth study was done including an interview with each and every county employee. The firm created job descriptions and made a very comprehensive study. Comparisons were then made with like positions in comparable counties as well as, in some instances, the private sector. A final report was presented to the county in May 2008. The Board discussed the findings and determined it should create a system within which employees could be retained and lower the turn over rate by implementing the study. The Board decided, because of the cost involved, to implement salary adjustments over a two-year period and made that commitment to the employees – all before the recession hit. The employees did not receive a cost of living adjustment this year. Jackson County has the fourth lowest tax rate in the state and is continuing to move forward with capital projects for the benefit of the general public. He stated he stands behind the Board's decision concerning county salaries.

(2) COMMISSIONERS REPORTS: Commissioner Massie reported that Chairman McMahan was sworn in as First Vice President of the NCACC during the Association's 102nd Annual Conference last week which means he will be the President-elect next year and President the following year. In addition, Chairman McMahan is now Chairman of Region A.

He stated he agreed with the Chairman concerning the salary issue and wanted to dispel some rumors: (a) Two weeks ago the editorial in the local paper insinuated that county employees received a raise at the expense of school system employees. That is incorrect. County employees received a raise because it was the implementation of the second year of the salary study which had been budgeted. (b) The county appropriated the entire amount requested by the school system and in addition appropriated capital improvement commitments over and above the amount requested in order to improve the schools. The county also appropriated a supplement not only for teachers but also for custodians, teacher assistants, etc., but the school board was provided some flexibility as to how the 2% supplement would be allocated so that teacher jobs could be retained and no one would be laid off. (c) It is incorrect that the salary study used larger counties and cities for comparisons. Comparables used for the study were Transylvania, Haywood, Macon, Swain and Buncombe Counties, Cities of Asheville, Brevard, Franklin, Waynesville, and Sylva in addition to Western Carolina University. Of the 10 highest paid employees listed in a local paper, the average years of service is 28 years. Some of those employees have 34 and 35 years of service to the county. In order to retain staff beyond 30 years of service they must be justly compensated. Years of service was considered a major factor in the amount of the salaries. The county has 380-fulltime employees, the school system 620, and SCC 200. The county's budget is \$61 million, the school system's is \$36 million and SCC's budget is about one-third of the county budget.

Even though some of the salaries are surprising, they were long overdue. Citizens should be proud of the services the employees provide.

Commissioner Shelton stated implementation of the study was to bring county employees' salaries in line with their years of experience, level of education and was done with a sense of fairness.

Commissioner Jones stated he stands by the decision to implement the salary study. Further, the county has increased public by the addition of a paid fireman in each of the seven fire districts.

Commissioner Cowan stated that after hearing comments during his travels throughout the state and considering how Jackson County is doing in comparison, there is probably not another county that is as good shape financially or who has more services available. He supports the decision to implement the salary study.

(3) COUNTY MANAGER'S REPORT: Mr. Westmoreland reported that during the county managers' luncheon at the NCACC Annual Meeting last week the issue of counties being placed in the secondary roads business is at the point where actual computations are being made at the state level concerning costs for counties to assume those responsibilities. This is a serious and expensive issue and the public needs to be informed of all the ramifications of that issue.

He has been successful in obtaining from the federal surplus property agency two new 36' travel trailers at a cost of \$1,000 each. These trailers will be placed at the Andrews Park and available for the public after a use plan is developed.

(4) FINANCING AGREEMENT – TRANSFER STATION: Darlene Fox, Finance Director, stated bids for financing were received. SunTrust Equipment Finance & Leasing Corp. submitted the lowest bid at an interest rate of 4.53% for a 15-year term financing agreement in the amount of \$3,312,550 for the Solid Waste Transfer Station project. She recommended approval of the agreement contingent upon approval of the Local Government Commission. A public hearing was held on September 1 at 6:15 p.m. and no objections or public comments were made.

***MOTION:** Commissioner Massie moved to approve the financing agreement contingent upon approval by the Local Government Commission. Commissioner Shelton seconded the Motion. Motion carried by unanimous vote*

(5) BUCK KNOB ISLAND: Mr. Westmoreland stated that the state fire marshal's office was requested to evaluate the situation and submit a written recommendation concerning Buck Knob Island and to also include two additional islands on Lake Glenville that may require a similar type service in the future.

(6) CASHIERS VALLEY PRESCHOOL SEPTIC SYSTEM EASEMENT: An easement was approved by a few weeks ago which permitted the school temporary use of county property. However, it was subsequently learned that some of the exceptions may contradict state regulations which require that any easement must be permanent and run with the land.

Mr. Holt stated the school property is owned by a private corporation, Straight Eight Co., and if a perpetual easement is granted, the property would be owned by the

private corporation and would never revert to the county. The county can sell, but not give, public property to a private corporation.

Charles Stephens, Environmental Health Supervisor, stated regulations require that an easement must remain with the facility regardless of its use, but has requested an opinion from the Attorney General's office. The school can operate as is, but cannot increase enrollment.

Motion: *Chairman McMahan moved to rescind the previously approved easement. Commissioner Massie seconded the Motion. Motion carried by unanimous vote.*

(7) TRANSIT VEHICLE PREVENTIVE MAINTENANCE PLAN: Chuck Norris, Transit Director, stated that the NCDOT review/audit on June 23, 2009 revealed several deficiencies and has required that the county adopt a Vehicle Preventive Maintenance Plan.

Motion: *Commissioner Cowan moved to approve the Vehicle Preventive Maintenance Plan. Commissioner Jones seconded the Motion. Motion carried by unanimous vote.*

(8) HONOR AIR FLIGHTS: By letter, the Sylva Rotary Club requested that the county appropriate \$2,500 to assist with the October 2009 Honor Air Flight for nine WWII veterans and three guardians. The club also requested an additional \$5,100 to assist in funding for the spring 2010 flight.

Motion: *Chairman McMahan moved to appropriate \$2,500 from the miscellaneous donation fund. Commissioner Jones seconded the Motion. Motion carried by unanimous vote.*

(9) WRGC PROPOSAL: The local radio station, WRGC, submitted a proposal for a weekly thirty-minute morning program that would feature interviews and interactivity with county leaders.

Motion: *Commissioner Massie moved to approve the proposal and appropriate up to \$12,000 from the contingency fund. Chairman McMahan seconded the Motion. Motion carried by unanimous vote.*

(10) BOARD OF EQUALIZATION & REVIEW RESOLUTION (R09-26):

Motion: *Commissioner Massie moved to adopt the Resolution. Commissioner Shelton seconded the Motion. Motion carried by unanimous vote.*

(11) HISTORIC PRESERVATION ORDINANCE RESOLUTION (R09-27):

The Town of Dillsboro adopted a resolution on August 19, 2009 requesting the county to administer Ordinance O09-01 Establishing a Historic Preservation Commission within the planning jurisdiction of the Town of Dillsboro.

Motion: *Commissioner Shelton moved to adopt the Resolution. Commissioner Cowan seconded the Motion. Motion carried by unanimous vote.*

(12) TRANSFER STATION – DECLARATION OF INTENT TO REIMBURSE RESOLUTION (R09-28): The resolution states the county intends to reimburse itself with the proceeds from the loan for any expenditure incurred prior to the borrowing for the Solid Waste Transfer Station project.

Motion: *Commissioner Cowan moved to adopt the Resolution. Commissioner Massie seconded the Motion. Motion carried by unanimous vote.*

(13) ORDINANCE ADOPTING CODE OF ORDINANCES (O09-03):

Motion: *Commissioner Cowan moved to adopt the Ordinance. Commissioner Jones seconded the Motion. Motion carried by unanimous vote*

(14) TRANSFER STATION – RESOLUTION APPROVING FINANCING TERMS (R09-29): A public hearing was held on September 1 at 6:15 p.m. and no public comments were made. Darlene Fox, Finance Director, presented a resolution approving SunTrust Equipment Finance & Leasing Corp. 15-year installment financing agreement in the amount of \$3,312,550 at a fixed interest rate of 4.53% per annum..

MOTION: *Commissioner Massie moved to adopt the Resolution. Commissioner Jones seconded the Motion. Motion carried by unanimous vote.*

(15) BOARD OF ADJUSTMENT APPOINTMENTS: Kirk Smith has agreed to continue to serve if reappointed. Joel Johnson has agreed to serve as a member rather than an alternate.

Motion: *Commissioner Massie moved to reappoint Kirk Smith and appoint Joel Johnson as a member on the Board of Adjustment, both for 3-year terms. Commissioner Cowan seconded the Motion. Motion carried by unanimous vote.*

(16) WATER RESOURCES BOARD APPOINTMENTS: Carry over.

CLOSED SESSION:

Chairman McMahan stated there was a need for a closed session pursuant to G. S. 143-318.11(a)(3) Legal (Duke Energy) and G. S. 143-318.11(a)(5) Real Property (Southern Lumber property).

Motion: *Commissioner Jones moved that the Board go into closed session. Commissioner Cowan seconded the Motion. Motion carried.*

Chairman McMahan called the regular meeting back to order and stated no action was taken in closed session except approval of minutes.

There being no further business, Commissioner Jones moved to adjourn the meeting. Commissioner Shelton seconded the Motion. Motion carried and the meeting adjourned at -9:15 p.m.

Attest:

Approved:

Evelyn B. Baker, Clerk to Board

Brian Thomas McMahan, Chairman

