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Posted By: Evelyn Baker
Witnessed By: _____

**MINUTES OF A RECONVENED
BUDGET WORK SESSION
OF THE JACKSON COUNTY
BOARD OF COMMISSIONERS
HELD ON
MAY 16, 2011**

The Jackson County Board of Commissioners met in a reconvened Budget Work Session on May 16, 2011 at 3:00 p.m., Justice & Administration Building, Room A201, 401 Grindstaff Cove Road, Sylva, North Carolina.

Present:	Jack Debnam, Chairman	Chuck Wooten, County Manager
	Doug Cody, Vice Chair	Evelyn Baker, Clerk to Board
	Mark Jones, Commissioner	Darlene Fox, Finance Director
	Charles Elders, Commissioner	
	Joe Cowan, Commissioner	

Chairman Debnam reconvened the work session.

FY2011-12 BUDGET: Mr. Wooten identified some developments and responded to questions raised at the previous work session:

(1) **Housing Dept.:** The director has received unofficial notice that the administrative reimbursement will be reduced from 92% to 78.5% which would require an increase in the county's contribution from \$33,605 to \$76,222 (\$42,617). The county receives \$17.76 in rental benefits for every \$1 in administrative fees. The county is authorized by HUD to serve 324 households and currently serves 312-315 with average monthly rents of \$364; 64% of the households served have an elderly, disabled or handicapped head of household or spouse; 757 individuals are impacted by these rental subsidies.

Consensus: Transfer \$42,617 from the capital improvement fund if federal funding is reduced.

(2) **Great Smoky Mountains Railway:** GSMR requested support for costs associated with painting the steam engine and first class cars. Swain County and the Swain County TTA are each providing \$25,000 to relocate the steam engine with an understanding that some of the of the steam engine trips will originate in Bryson City. Mr. Wooten recommended that if the county chooses to participate, funding would be from the Economic Development Fund and would be an appropriate use of those funds. Jackson TTA may also want to participate.

Consensus: Mr. Wooten will schedule a meeting with representatives from Swain County and GSMR to clarify exactly what the plans are for housing the steam engine and the number of origination trips from Dillsboro and Bryson City.

(3) **MedWest Ambulance Contract:** The MedWest proposal reflects an average loss over the past four years of \$240,516.75 plus a base budget of \$396,000 for a proposed annual contract of \$650,000. Under the current contract, the county would share 50-50 in any profits, but pays 100% of any loss. Last year, the county budgeted an additional \$96,000 to soften the impact if a loss was ultimately determined. MedWest should have used the base allocation of \$300,000 (not \$396,000) plus \$240,000 (average loss over 4 years) for a total of \$540,000 with no end of year settlement, equipment or any other obligation by the county. If the computation is corrected, an increase of \$144,000 must be added to the proposed budget.

On average, MedWest responds to 4,800 calls per year, has two ambulances on call 24-hours per day and one on call 12-hours per day. In addition, there are 20 EMTs on staff plus a director. After review with emergency management, it was determined the county cannot duplicate the service for less.

Consensus: Mr. Wooten will negotiate a one-year contract in the amount of \$540,000 with four additional one-year options in the same amount. The \$144,000 increase to be transferred from the capital improvement fund.

(4) **Public Works Director.** This position would assume management responsibility of four other departments: maintenance, grounds, housekeeping and garage. The combined budget for those four departments is \$3,296,852 which is the fourth largest allocation. There are 43.5 fulltime positions in those departments plus part time employees. The costs for the director position would be covered through savings in those four departments. This position will evaluate the effectiveness of current operations, look for ways to improve procedures, processes and scheduling, cross train personnel to provide back up and support when current projects exceed capability of staffing levels, evaluate out-sourcing opportunities, consolidate purchases, manage and evaluate the Cashiers water system, and oversee all county capital improvement projects. Maintaining four independent departments tends to discourage cross training, limits recourses to what is budgeted in each and may create duplication. No additional funds would be required and there are no plans to eliminate any of the current positions.

Presently there are 28 departments reporting to the county manager which is not a very effective organizational structure. This is the first of several reorganizational opportunities that will be proposed.

Consensus: Proceed with the public works director position.

(5) **Libraries:** Darlene Fox presented a breakdown of library appropriations as follows:

FY2011-12 Budget				
	Jackson	Cashiers	Reading Rover	Total
Utilities	\$ 44,000.00	\$ 30,000.00		\$ 74,000.00
Bldg. maint/repairs	15,000.00	2,000.00		17,000.00
Insurance	10,000.00	5,000.00		15,000.00
Debt service	753,716.32	357,757.11		1,111,473.73
Fontana Regional	675,000.00	185,000.00	13,260.00	873,260.00
	\$1,497,716.62	\$ 579,757.11	\$ 13,260.00	\$2,090,733.73

Utilities, building repairs and maintenance, insurance and debt services, are direct expenses paid by the county pay and do not flow through Fontana Regional. Housekeeping and grounds services are not included in the maintenance estimate. The last payment on the debt service for the Jackson Library is 7/16/24 and Cashiers is 12/29/20. Macon and Swain County also contribute to the Reading Rover. Fontana Regional is responsible for all personnel and other operating expenses not listed above. Fontana Regional requested \$190,000 for Cashiers, but the proposed amount is \$185,000. Fontana Regional's proposed budget for the two libraries is \$967,602.00.

There are six libraries in the Fontana Regional System (Jackson – 2, Swain – 1, Macon -3). The state regulates regional library systems. Jackson County's current contract with Fontana Regional has been in place since the 1950's.

An issue was raised concerning the \$2 million raised by Friends of the Library for furniture and fixtures for the Jackson Library. The contract reflects that if state monies are involved and the partnership with Fontana Regional is dissolved, then those assets would be the property of Fontana Regional. Because the people of Jackson County raised the \$2 million for furniture and fixtures for the Jackson Library there should be some clarification and protection of those assets for Jackson County. The Friends of the Library has not formally donated the furniture and fixtures to Fontana Regional, but that is the intent. Further, in order to qualify for a \$200,000 USDA grant, the application must reflect that the \$2 million in assets is the property of Fontana Regional.

Consensus: Enter into a lease with Fontana Regional for the Jackson Library building. Request Friends of the Library to protect for Jackson County, in some manner, the assets purchased for the Jackson County Library.

(6) **Health Dept. Salaries:** Jamie Dellinger was promoted to Environmental Health Supervisor II on November 1, 2010 with a salary increase from \$59,243 to \$81,844 plus a commitment to raise it again on July 1, 2011 to \$85,936. Even though nothing is in writing, it was discussed that the Health Director's salary should also be increased on July 1, 2011 to a level in excess of Mr. Dellinger's. The Director has requested an increase from \$84,010.16 to \$87,404.27 (\$3,394.11 or 4%) effective July 1, 2011.

Consensus: The county attorney will be requested to review the personnel action form to determine if it is a contractual agreement. Mr. Dellinger's salary will be increased if it is determined the county is obligated to do so, but no other salary modifications in the Health Dept.

(7) **Solid Waste Dept.:** The proposed budget transfers operational responsibility for the Dillsboro and Cashiers SRC's to GDS. There are eight SRC's across the county and each site has 3 part time employees to cover the 72-hour weekly operation. If the county was the operator for those sites, the labor costs would be approximately \$1,200 more per site that contracting with GDS. The salary rate for those part-time employees is \$11.21 per hour and exceeds the GDS rate of pay and if county employees work more than 1,000 hours they would be eligible for retirement, but not health insurance. GDS has agreed to take over staffing operations for all SRC's.

Consensus: The county should contract all SRC staffing.

(8) **Lottery Proceeds:** \$316,731 in lottery proceeds is obligated for debt service related to improvements at Fairview School. It now appears the county may receive approximately \$68,572 less than what is needed to fully fund the debt service. This shortfall can be covered by using a portion of sales tax revenue that is available for school capital outlay.

Consensus: If there is a shortfall, the amount needed will be transferred from the capital improvements fund.

(9) **Glennville-Cashiers Rescue Squad Ambulance Service:** Currently the county pays \$300,000 per year for staffing, but set aside an additional \$150,000 for operating costs, equipment, gas, supplies, and equipment for a total of \$450,000. Glennville-Cashiers requested a \$110,000 increase prefers to be responsible for payment of invoices. Mr. Wooten recommended increasing the appropriation from \$450,000 to \$500,000 and Glennville-Cashiers be responsible for paying all expenses; however, an audit must be provided to the county. Further, any funds remaining at the end of the year would be placed in a capital reserve account to be used for replacement equipment.

Consensus: Mr. Wooten to negotiate a one-year contract in the amount of \$500,000 with four additional one-year options in the same amount. Glennville-Cashiers would be responsible for payment of all expenses, including equipment, and provide the county with a timely audit. Any funds remaining at the end of the year would be placed in a capital reserve account for replacement equipment. The \$50,000 increase to be transferred from the capital improvement fund.

(10) **Community Dev. Centers:** \$1,500 is budgeted for each community development center. Last year \$50,000 was set aside to assist the Tuckaseegee Community; however, the prior Board could not justify purchasing the proposed property and building. Recommendations were made for the county to consider assisting the centers on a “grant match” basis. The county only owns 3 or 4 centers.

Consensus: The \$50,000 previously designated “Tuckaseegee” be moved to CDC Improvements line item.

(11) **Community Table:**

Consensus: Increase appropriation from \$5,000 to \$10,000.

(12) **Highlands Community Child Dev.:** Commissioner Jones stated the request and proposed allocation are reasonable.

Consensus: Appropriate \$2,500 as proposed.

(13) **Salaries:**

Consensus: A list of salaries will be reviewed to ascertain if a modest lump sum payment can be paid to some employees.

The proposed budget is \$51,296,805.55 which is \$1.6 million less than last year's budget.

There being no further comments, Commissioner Elders moved to adjourn the work session. Commissioner Cody seconded the Motion. Motion carried.

Attest

Approved:

Evelyn B. Baker, Clerk to Board

W. J. Debnam, Chairman