

**MACON COUNTY BOARD OF COMMISSIONERS
CONTINUED SESSION
JANUARY 20, 2015
MINUTES**

Chairman Corbin reconvened the meeting at 12:35 p.m. in the commission boardroom as recessed from the January 13, 2015 regular meeting. All board members, the County Manager, Deputy Clerk, Finance Director, County Attorney, members of the news media and interested citizens were present. The primary purpose of the continued session was to hold a mid-year review and budget work session.

SIGNAGE AND SCOREBOARDS FOR PARKER MEADOWS RECREATIONAL COMPLEX: Prior to addressing the items on the work session agenda, the County Manager requested that the board consider adding consideration of agreements for the design of signage and scoreboards for the Parker Meadows Recreational Complex to the agenda, as well as an agreement for marketing associated with those scoreboards and a monument display center. The County Manager explained that this was the “most financially feasible” option, and introduced Tammy Welch with Major Display, Inc. The County Attorney then provided details as to the agreements. The first one, an “Agreement for Design of Signage and Scoreboards for Parker Meadows Complex,” calls for Major Display to design eight separate baseball scoreboards and one soccer scoreboard based on certain specifications, with the “comprehensive design package to cost the county \$2,500. The second document, an “Agreement for Marketing with Scoreboards and Monument Display Center for Parker Meadows Complex,” calls for Major Display to install all nine scoreboards, and grants the firm exclusive rights to sell advertising for those scoreboards under a revenue sharing arrangement with the county. The agreement further allows Major Display to recoup all of its up-front costs, expected to be \$90,000 for the advertising fees and/or naming rights sponsorships on the scoreboards and \$40,000 in advertising fees for the LED monument display center. Once that is achieved, Major Display and the county would then split the revenue from the scoreboards and the display on a 70/30 basis, respectively, for a two-year

period, and after that time, the revenue would then be split on a 50/50 basis. The County Attorney pointed out that this creates a potential revenue stream for the county. Chairman Corbin asked the County Attorney if this arrangement was legally acceptable, and the County Attorney indicated that it indeed was, as he had prepared the draft agreements. Ms. Welch indicated that Major Display is “prepared to make this thing happen.” This was followed by a lengthy discussion regarding such items as ownership, maintenance and naming rights. Ms. Welch said that Major Display already had eight commitments for the scoreboards with one left to fill, and stated that the Board of Commissioners would have final approval of those names, with the scoreboards to be in place no later than June 15th of this year. Recreation Director Seth Adams said that he and members of the recreation commission had initially looked at the county buying the scoreboards outright and explained the process they went through, arriving at the proposed agreements with Major Display. Mr. Adams said that in his opinion, “This is a good deal” and the best way to provide these items. Following further discussion, and upon a motion by Commissioner Beale, seconded by Commissioner Tate, the board voted unanimously to approve the “Agreement for Design of Signage and Scoreboards for Parker Meadows Complex,” a copy of which is attached **(Attachment 1)** and is hereby made a part of these minutes, as well as the “Agreement for Marketing with Scoreboards and Monument Display Center for Parker Meadows Complex,” a copy of which is also attached **(Attachment 2)** and is hereby made a part of these minutes.

2014 YEAR IN REVIEW: Per Chairman Corbin, time for this topic was allotted to Macon County Economic Development Director Tommy Jenkins, who provided an update on the situation involving the planned closing of the Caterpillar manufacturing facility located in the Macon County Industrial Park. On January 15th Caterpillar announced that it intended to close its Franklin seals facility and its Toccoa, Georgia foundry and to “consolidate production” to the company’s Mapleton, Illinois site, impacting a total of 275 positions over the next two years. Mr. Jenkins said that the announcement “came as a shock” and there was “no indication.” He said that he has met with state commerce officials and is looking at options moving forward, both short- and long-term. “It’s fair to say we’re assessing the situation,” Mr. Jenkins said, but noted the county’s options are “somewhat limited.” Chairman Corbin, stating that this is a private business decision made by a private company, pointed out that he is “not sure how much influence we (the commissioners) can have.” Per Mr. Jenkins, about 150 of the 275 impacted jobs are at the Franklin location, with plans calling for the consolidation to transpire over an 18-month to two-year period.

The County Manager provided the highlights of the past year, including:

- Stabilization of the county’s fund balance at 34 percent.

- A property revaluation that will likely result in a 33-cent tax rate. He noted that the average tax rate in the seven far-western counties of North Carolina is 39 cents, with a statewide average of \$1.01. He also noted that building permits were up 48 percent.
- Working diligently to address problems with the county's employee health insurance fund, stating that it was "imperative that we make changes now." He told the board to expect a full report in the near future.
- The focus of funding on priority areas such as education and public safety, pointing out that each school in the county has a school resource officer (SRO).
- Ongoing projects such as the Parker Meadows Recreational Complex and the expansion of the county's landfill, which is now in the due diligence phase.
- Attempts to resolve boundary line and service issues with Jackson County.
- Continued "great work" by county departments, all of which he said have taken measures to reduce costs.

Chairman Corbin told the County Manager, "You've done a great job."

MID-YEAR FINANCIAL REVIEW: Finance Director Lori Hall presented a PowerPoint presentation that covered the county's current status in terms of sales tax revenue, ad valorem and motor vehicle tax revenue, general fund revenues and expenditures and the county's debt service outlook. A copy of her presentation is attached (Attachment 3) and is hereby made a part of these minutes. Among the discussion points, Ms. Hall said it appears that sales tax revenue will increase by 7.72 percent this year, which would result in \$489,000 in revenue. Much of the remaining discussion centered around the county's debt of some \$45.7-million, 85 percent of which is attributable to improvements to the school system's facilities.

PROPOSED BUDGET CALENDAR FOR FISCAL YEAR 2015-16: The County Manager reviewed the proposed FY 2015/2016 budget calendar, a copy of which is attached (Attachment 4) and is hereby made a part of these minutes. He pointed out that one entire work session will need to be dedicated to health insurance issues. No formal action was taken.

NCACC LEGISLATIVE GOALS: Chairman Corbin gave a brief update on the North Carolina Association of County Commissioners (NCACC) legislative goals process, noting that a long list had been narrowed to five major topics, two of which were the reinstatement of promised lottery funds for school systems and no unfunded mandates from the state. Commissioner Beale commented that Medicaid was going to be a "very divisive" issue in the upcoming legislative "long session," along with transportation issues and the repeal of the ability of

school boards to sue their county's board of commissioners. It was again noted that the relationship between the two boards in Macon County was "abnormal" in that it was good.

HEALTH DEPARTMENT: Macon County Public Health Center Director Jim Bruckner presented a PowerPoint presentation outlining projected increases in revenues and expenditures for the upcoming fiscal year, a copy of which is attached (Attachment 5) and is hereby made a part of these minutes. In projecting those increases, however, Mr. Bruckner pointed out that he would be asking for no new or additional county funding. He explained that the adjustments would come from budgeting Medicaid cost settlement funds in a different way, and from proposed changes in clinical staff that would create new revenue streams for the department. By using contracted positions, he said that if the money stops, then the positions "go away." In terms of the Medicaid funds, he told the board that he was "asking to spend what we got." No action was taken.

SHERIFF'S DEPARTMENT: Sheriff Robert Holland outlined his "plan of action" for the 2015/2016 proposed budget, which included; (1) two school resource officer positions, (2) four detention center positions and (3) reinstatement of the department's five-year vehicle replacement plan. He also provided an overview of the increases in staff time and other factors related to involuntary commitments. In the nine years that his office has kept records related to the mental health process, there has been a 127 percent increase in commitments, a 423 percent increase in officers utilized, a 651 percent increase in officer hours and a 273 percent increase in process. During that period the average time per commitment has grown from 12 hours to 41 hours, with the annual cost increasing from \$29,964 in 2006 to \$253,625 in 2014.

EMERGENCY SERVICES: Emergency Services Director Warren Cabe told the board he was considering a "minimum staffing policy" that would keep four ambulances in the county at all times. He said he was also studying a so-called community paramedic program by which EMTs would do home visits within three days of a patient being discharged from the hospital in an effort to keep the number of those patients being re-admitted down. He suggested that the county continue to replace one ambulance per year, and said his biggest issue continues to be out-of-county transfers, especially as certain cardiac patients must now be taken directly to a hospital in Asheville.

PUBLIC SCHOOLS: Terry Bell with Macon County Schools said that he was appearing before the board in place of Superintendent Dr. Chris Baldwin, who had to be out of town. Mr. Bell presented the commissioners with a list of the school system's capital outlay requests, a copy of which is attached (Attachment 6) and is hereby made a part of these minutes. There was significant discussion on the need for renovations at Union Academy, the

county's mandated alternative school, with that figure totaling \$1,475,500, and the possibility of obtaining QZAB funding to do so.

Chairman Corbin declared a recess at 3:13 p.m.

Chairman Corbin called the meeting back to order at 3:28 p.m.

DEPARTMENT OF SOCIAL SERVICES: Jane Kimsey, the director of the Department of Social Services, gave the board an update on successful implementation of NCFAST, which stands for NC Families Accessing Services through Technology. She pointed to five specific reasons for Macon's success: (1) A dedicated team of professionals pulling together to overcome the obstacles, "not without tears and gnashing of teeth at times." (2) The purchase of Northwoods, an electronic management document system, in 2007, allowing Macon to be the second DSS in the state to implement it. (3) Listening to the frontline experts and being flexible. (4) Hiring temporary workers for intake, allowing experienced workers to remain "program specialized." (5) Managing reports to understand the system data. In addition to providing statistics on the department's current caseload, Ms. Kimsey noted an anticipated \$238,000 in savings to the county, based on enhanced federal reimbursement for administration of a portion of the program due to the Affordable Care Act.

INFORMATION TECHNOLOGY: Andy Muncey, the county's Information Technology Director, explained that he has budgetary estimates from several vendors for projects to address four serious business technology infrastructure programs. "These systems used for support, maintenance, security, communications and information storage need immediate attention in the upcoming year," he said. Mr. Muncey went on to explain that the county needs to replace its current data storage technology with "a scalable leased solution," noting that the current solution has not reached the end of its life, but that the organization's needs have simply outgrown its capacity and performance. While explaining terms like SAN (storage area network) and NAS (network attached storage), he encouraged the county to consider platforms that move away from disk based storage to a solid state platform. The county also needs to replace its access control and security system, and its surveillance systems need to be modernized and centrally managed. He also pointed out that the county's 17-year-old telephone system has become unreliable, and that the system, vendor and service contract are not providing the level of service needed by the county. In conclusion, Mr. Muncey "strongly" encouraged the board to consider additional IT staff, stating that his staff need time to be involved in the deployment of systems, having operational training on those systems, and be able to pursue certification in supporting those systems.

TAX OFFICE: “The time of reckoning is here,” Tax Administrator Richard Lightner told the board, pointing out that the 2015 revaluation will result in a 14.45 percent decrease in property values countywide, with the total valuation dropping from \$8.9 billion to \$7.65 billion. He said that property values within the town limits of both Franklin and Highlands remained the most stable. Despite the fact that out of some 43,000 parcels in the county, approximately 36,000 decreased in value, Lightner said that Macon was “still holding our own” compared to other counties around the state.

RECREATION: Seth Adams, the county’s recreation director, outlined the projected increase in costs for his department when the new Parker Meadow Recreational Complex opens, noting that figure is expected to be \$155,299. After itemizing those additional costs, Mr. Adams also reviewed a new employee structure that would put all of the recreation-related workers under his department, as four of them are now in the Maintenance Department. This would include hiring a new recreation park grounds supervisor and two new workers for Parker Meadows, and he provided a proposed new organizational chart for the board’s review.

COUNTY PLANNING BOARD: Planning, Permitting and Development Director Jack Morgan requested that the commissioners hold a joint meeting with the Macon County Planning Board during the month of February in order to discuss future goals. Following discussion, the commissioners agreed to hold the meeting on Tuesday, February 17th with the exact time and location to be determined.

PAY PLAN: Mike Decker, the Human Resources Director and Deputy Clerk to the Board, gave a brief PowerPoint presentation regarding the possible implementation of Option 3 of the recent pay plan during the upcoming fiscal year. Following a review of the history of the plan, he explained that HR was asked by the County Manager to determine the current cost of implementing Option 3, which called for giving pay increases based on the employees’ years of service in their current position. An “internal audit” of the personnel records of all full-time employees is nearing completion, he told the board, adding that cost figures would be available for budget deliberations. Methods for making annual base adjustments to the plan and “compression” issues were also discussed.

GOALS AND EXPECTATIONS: During this segment, the board members shared comments with the County Manager and staff. Commissioner Higdon said that “frugality is the word. What we’re dealing with here is hard-earned [tax] money.” Commissioner Beale asked the Finance Director to check on the figures in the school system request to determine what the county’s payout would be for the QZAB renovations. Commissioner Tate asked the County

Manager to pay “special attention” to remaining revenue neutral with the new tax rate. He noted it would be hard to work a lot of the new increases into the new budget, and specifically voiced concerns about implementing the third phase of the pay plan. Commissioner Tate also suggested that the county consider placing a one-quarter-cent sales tax on the next election ballot as a referendum, with all of the revenue going to the school system. He also noted there is a fund-raising drive underway to come up with \$300,000 to improve the Highlands High School track and softball field. Chairman Corbin stated his belief that the board would not approve a budget with a tax rate above revenue neutral, and asked the County Manager to determine if there was a way to provide more capital outlay funding for the schools.

ADJOURN: With no further business, and upon a motion by Commissioner Beale, seconded by Commissioner Tate, the board voted unanimously at 5:18 p.m. to adjourn.

Derek Roland
Ex Officio Clerk to the Board

Kevin Corbin
Board Chairman