

**MINUTES OF BOARD OF COUNTY COMMISSIONERS
OF GUILFORD COUNTY
WORK SESSION**

Greensboro, North Carolina January 19, 2017

The Board of County Commissioners met in a duly noticed Work Session at 3:00 PM in the Blue Room of the Old County Courthouse, 301 West Market Street, Greensboro NC.

PRESENT: Chairman Jeff Phillips, presiding; Vice Chairman Alan Branson; Commissioners Justin Conrad; Kay Cashion; Alan Perdue; Hank Henning (in at 3:11PM); Carolyn Q. Coleman (in at 3:26); and Ray Trapp.

ABSENT: Carlvena Foster

ALSO PRESENT: County Manager Marty Lawing; County Attorney Mark Payne; Deputy County Manager Clarence Grier; Robin Keller, Clerk to Board; Reid Baker, Finance Director; Michael Halford, Budget Director; David Cheekwood, Municipal Financial Advisor; Ben Chavis, Tax Director; members of the community and members of the media.

I. Welcome

Chairman Phillips called the meeting to order at 3:08PM and welcomed all those present.

II. New Business

County Manager Marty Lawing reviewed the agenda with board.

a. Consider Bond Issuance Plan options for Guilford County Schools, Guilford Technical Community College and High Priority County Projects.

Finance Director Reid Baker introduced David Cheekwood, Municipal Advisory with First Tryon Advisors.

Mr. Cheekwood reviewed the County's outstanding debt. He noted that we have approximately 27 Million dollars available if the County chose to move forward with 2/3rds bonds based on our last fiscal year of debt repayment.

Mr. Cheekwood reviewed the goals of the issuance of debt and options for issuance and discussed the County's cash flow needs. He discussed options if the bonds were issued in two manners. He compared the two issuance scenarios. He cautioned the Board that if chose to wait another year to issues 2/3rds bonds that it could actually cost the county more money.

Coleman in at 3:26pm.

Phillips opened the floor for questions.

Finance Director Reid Baker noted the most recent cash flow data put together by the schools. Baker shared that with the structured financing the could would continue to see the large repayment peaks. He noted that the cost to issue debt on multiple occasions creates a risk of higher interest rates and concurred with Mr. Cheatwood that a split issuance of the bonds is likely to cost the county more money than the option to issue the remaining debt at one time. Baker stated that it is staff's recommendation to issue at one time. He stated that the amount needed to issue is looking close to 140M.

Branson questioned the initial cost of issuance now versus a later issuance.

Baker stated that there will be underwriter fees and attorney's fees and these costs could be doubled potentially if the County chooses to wait. He noted that the County could save 2.5M with one issuance.

Phillips recognized that there is no distinct benefit to wait on issuance.

Budget Director, Michael Halford reviewed the County's 12month needs for cash flow as well as the community college and school cash flow needs.

Baker shared that we would be seeking to reimburse the county 24M for the line of credit.

Halford reviewed the board's capital priority projects including the Animal Shelter at approximately 9 Million, Emergency Services Logistics Facility Phase One at 8 Million, with 3.3 Million already allocated leaving roughly 4.6M. Halford reviewed needs for repairs on the Old County Courthouse and needs for the Law Enforcement Center

Coleman asked if there has been any discussion on the Sheriff's Administration building. She questioned if the project included re-habilitating the Old Jail or if it was for creating a new jail.

Lawing stated that during the last work session the board decided to not include the sheriff's administration project, but that there was interest in looking into consolidating sheriff's administration into the Old Jail building.

Lawing stated that although the Board had initially placed the project on the back burner, staff are recommending reconsideration due to the rapid detrition of the current Law Enforcement Center, and that it is strongly recommended to ensure funding at this point.

Lawing stated that the Edgeworth building where Probation and Parole is housed is also in need of repair, and there is interest in relocating probation and parole staff also in to the Old Law Enforcement Center.

Halford stated that the 2/3rds bonds are the most cost effective way to finance those projects.

Lawing stated that if this were approved it would include demolition of the Otto Zenke building and would include surface parking in that area.

Sheriff Barnes also requested an additional crosswalk between parking lots and the Jail facilities.

Branson questioned how many parking spaces would be gained by tearing down the Zenke building and how many spaces were lost by selling the property at Bellemeade.

Lawing stated that the County sold roughly 200 spaces and would gain roughly 170 with the tear down of the Otto Zenke.

Commissioner Cashion clarified that the decision would need to include both 2/3rds financing to fund the high priority projects as well as the debt issuance.

Phillips asked if there were any projects that were previously agreed to or are listed by staff that need to be reconsidered.

Coleman noted that when the County looks at the Sheriff's Administrative Office consolidation project into the Old Jail that there needs to be a decision on the entire usage building and not piece mill the project leaving the building partially renovated.

Phillips asked for staff clarification.

McNiece stated that the 8M would be to gut and clean the upper floors but not complete the rebuild.

Coleman noted the Manager's recommendation of moving probation and parole to those upper floors.

McNiece shared that a Probation and parole move is not considered in these numbers.

Henning shared that with the decline of the Edgeworth property and the instability of the Zenke property that the County needs to move forward with the Old Jail renovations.

Trapp echoed his support in making a decision to move probation and parole.

Branson shared that he suspected the renovation costs if the floors were cleared and prepped to be reasonable.

McNiece stated that they would not have electrical, plumbing and HVAC so that would add costs to the renovations.

McNiece stated that as the County adds scope they would need to re-evaluate the costs of renovating to meet their needs.

Sheriff Barnes noted that Probation and Parole needs will most likely continue to grow as the juvenile parole needs are expected to grow due to pending legislation changes.

Henning requested an appraisal or estimate for Edgeworth property.

Trapp echoed the need to reduce the County's footprint and consolidate space.

Phillips shared that relative to the financing needs of 160M for the schools and GTCC and the Board's willingness to maximize the 27M for 2/3rds financing.

Cheatwood stated that we would introduce a bond order to the Board early February and recommend adoption of a Bond Order towards the end of February.

Barnes noted that there were renovation funding opportunities through other projects that could help offset costs.

Perdue noted the additional needs for parking if Probation and parole were moved into the facility.

Halford noted the goal to better tie in the cash flow needs of the schools with the issuance of debt. Halford noted that with the issuance of the 2/3rds debt the County will still be reducing its overall debt. He reiterated that the issuance of 160.07M of remaining authorized unissued bonds and approximately 27Million of 2/3rd bonds will be set for spring of 2017.

The board discussed the pros and cons of using 2/3rds bonds and concerns with transparency and potential for additional debt that could be incurred by not using it.

Commissioner Coleman noted that it is important to the community to start sharing and openly discussing the needs of the county rather than making the decision prior to discussing the needs.

Trapp shared that he would not be able to support the issuance of the 2/3rds bonds.

Commissioner Cashion made a motion, seconded by Vice-Chairman Branson Cashion to issue 160.7M of remaining authorized unissued bonds and approximately 27Million of 2/3rd bonds in Spring of 2017 for the proposed projects; to include the option to use additional premium and approve the identified priority County projects.

Baker clarified that not all of the premium if any may be used toward the projects.

Commissioner Coleman urged the board to ensure communication with the public on the project needs and the 2/3rds bonds.

VOTE: Motion Carried on a 6:2 vote.

AYES: HENNING, PHILLIPS, CASHION, BRANSON, CONRAD, PERDUE

NOES: TRAPP, COLEMAN

ABSENT: FOSTER

B. 2017 Tax Revaluation Schedule update

Tax Director Ben Chavis noted that the County is on a 5-year cycle for property tax revaluation.

Chavis reviewed the purposes of tax value reappraisals he noted that there are over 2,500 appraisal neighborhoods in Guilford County.

Chavis reviewed the IAAO standards of 10% or less for assessments and shared that the County has historically met those standards.

Chavis reviewed growth in the County since 2014. He noted the retail and commercial growth of the downtown area.

Chavis reviewed the total billable real property per Fire District growth. Chavis noted that they haven't seen any decline in growth in any jurisdiction in Guilford County.

Chavis stated that matters decided on through the Board of Equalization and Review and settled mediation of appeals often plays a factor in total billable real property as well as builder's exemption. He noted that builders are currently making applications for exemption. He estimated 40.4Billion in taxable property value on the County side or approximately a 5% growth.

Chavis reviewed the next steps of the revaluation process.

Henning questioned if it would be valuable to suspend any upcoming appointments/reappointments during this revaluation process.

Chavis stated that continuity of the Board is important at this time. He did advise that if the board should lose a member that vacant seats be filled as soon as possible.

The Board asked the Clerk to provide a roster of Board of Equalization and Review members.

Chavis reviewed the new software and website used to review and verify properties.

Chavis reviewed the online appeal process. He noted that during the last review they had a 3.5% appeal rate. He reviewed informal appeals, formal appeals and Property Tax Commission.

Chavis noted at the completion of the appeals process, information from public utilities with a projection of a settled tax base by end of September.

Branson questioned the time frame for contractors and for builder's exemption.

Chavis stated that those applications need to be filed in January, and it is based on the improvements on those sites that they have made until the property is sold.

Branson questioned the length of time that they could hold the property and qualify for exemption.

Chavis stated that it was three years for residential.

Coleman questioned the contract for the processing of foreclosures.

Chavis stated that the contract was recently signed and they will issue the first 75 parcels to them in February.

Chavis clarified that there is a charge to the Attorney of \$850.00. If they fall within a municipality, it is \$1,000.

Coleman questioned the increase.

Payne noted that it would be due to the addition of an additional party, the city.

Chavis noted that the goal is that the property owners would eventually step in and pay those fees, before final foreclosure proceedings. But the timeline of foreclosure would be dependent on the properties.

Payne stated that there was no timeframe placed on the contract.

Chavis stated that they are issuing 75 foreclosure properties to the contractor every other month. He noted that it may take a year to determine what value.

Coleman questioned how many outstanding cases are with the previous attorney. She has asked for a listing of all properties that are subject to foreclosure, and all of those have been processed by the attorney. She questioned when the list for auction is made public.

Chavis recognized that there has not been a lot of visible movement and shared that he would provide the information.

Trapp questioned if the first 75 were the County's most egregious cases.

Chavis stated that they were.

There being no further business the Board adjourned at 5:07PM

Chairman, Jeffrey M. Phillips

Guilford County Board of Commissioners

Robin B. Keller

Clerk to Board