

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

Greensboro, North Carolina
April 21, 2016

The Board of County Commissioners met in a duly noticed Work Session at 2:00 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 (arrived at 2:20PM); Commissioners Kay Cashion; Alan Perdue; Hank Henning; J. Carlvena Foster; Ray Trapp; Justin Conrad; Carolyn Q. Coleman (arrived at 2:54PM).

ABSENT: None.

ALSO PRESENT: County Manager Marty Lawing; County Attorney Mark Payne; Deputy County Manager Clarence Grier; Robin Keller, Clerk to Board; Ariane Webb, Deputy Clerk to Board; Michael Halford, Budget Director; Reid Baker, Finance Director; Jim Albright, Emergency Services Director; Catherine Johnson, Family Justice Center Director; Heather Skeens, DHHS-DSS Division Director; members of the community and media.

I. WELCOME AND CALL TO ORDER

Chairman Phillips called the meeting to order at 2:11PM.

County Manager Marty Lawing shared the goal of the meeting was to review challenges that could impact the budget process. He stated these presentations are solely for information and staff would not request Commissioners to commit to any items.

II. NEW BUSINESS

A. QUARTERLY BUDGET UPDATE

Michael Halford, Budget Director, reviewed the Budget Quarterly Performance Report. He compared FY 2016 property tax revenues with FY 2015 and noted the County has not accomplished the initially budgeted amount. Halford stated the County increased the property tax budget in anticipation of growth throughout the year, and indicated the potential to end the year with an estimated increase of \$3 million in revenues.

Chairman Phillips commented the County is slightly ahead of revenues collections in property taxes this year, compared to FY 2015 collections.

Halford reviewed anticipated revenues generated from motor vehicle and sales taxes. He noted the yellow-dotted line items in revenues on the Budget Performance Report, which indicate areas of concern. He spoke to issues with Intergovernmental Revenues, specifically Child Day Care (CDC). Halford stated the DSS staff have cleared the waiting lists, however funds are not being spent, therefore reimbursements cannot be collected as revenue.

Commissioner Trapp questioned if there were processes to regulate spending of these funds.

Halford stated the Board has historically required a hard stop to ensure no County funds are spent for CDC, but as there is now a healthier fund balance, these rules could be relaxed and become flexible enough to allow expending County funds for CDC services, if needed.

Vice Chairman Branson arrived to the meeting at 2:20PM.

Chairman Phillips questioned if there was a process for placement that restricts funding.

Heather Skeens, DHHS-DSS Division Director, explained the CDC eligibility process and noted the state redistributes funding three (3) times each year. She stated the County must utilize its funding in order to receive reimbursement from the state, and noted the County must remain within a 90%-98% spending coefficient to ensure funding is not reverted back to the state. Skeens anticipated reverting funding back to the state this year and reiterated there are no customers on the CDC waiting list.

Chairman Phillips questioned if the County could address the issues with the funding.

Halford stated the County cannot extend itself beyond the budget and spoke to the need to build flexibility into the budgeting process. He noted if the Board chooses to become more aggressive with CDC spending, they could provide this direction to staff.

Commissioner Foster questioned how long with waiting list had been cleared.

Skeens stated the list had been cleared twice this year, and elaborated on state policy and market rate changes that have resulted in many citizens who are ineligible for CDC services.

Chairman Phillips requested staff recommendations regarding development of a more flexible CDC budgeting policy.

Lawing suggested allowing staff more flexibility in approval of CDC applications.

Halford noted the challenges identified by Commissioner Trapp as a known issue that affects CDC services.

Halford discussed the decrease in Charges for Services and noted Emergency Services fees have decreased by \$1 million. He noted the percentage of cancellations have increased, along with self-paying clients, and noted there have been issues with insurance billing. Halford stated March 2016 revenues are 30% above average, however the collected fees are still lower than normal.

Halford reviewed the status of revenues for other County fees.

Halford reviewed the status of departmental expenses and noted increases in Law Enforcement overtime and the large variance attributed to the delay in issuance of the debt repayment schedule. He confirmed expenses should come in under budgeted amounts due to persistent vacancies and decreases in CDC spending, vehicle fuel costs, and debt service.

Chairman Phillips questioned the decrease expenditure in CDC of \$1.3 million and its connection to decreased revenues.

Halford stated that CDC is a revenue source under Intergovernmental revenues, resulting from 100% state reimbursement of any expenditures. He noted if the County is not spending funding on CDC services, it will not receive revenues in the form of state reimbursement.

B. GOALS AND OBJECTIVES

Lawing noted the information provided is similar to materials initially discussed during the Commissioners Annual Retreat. He requested the Board review the recommended priorities.

Commissioner Cashion requested the Manager discuss the County's role in Greensboro-Randolph Megasite Development.

Lawing stated there was little information regarding expectations in February 2016, however there have been recent discussions regarding different routes to bring power to the site, and to establish right-of-ways. He noted Duke Energy could not participate in the right-of-way process until they have a customer. Lawing discussed the County's potential for involvement in the right-of-way process, depending upon the power route, and site development costs.

Lawing reviewed Piedmont Triad International Airport site development and noted the City of Greensboro recently committed \$2.5 million to the project. He stated the project has not been defined, but noted the resolution passed by the City included language to request contributions of \$500,000 from Guilford County, City of High Point and City of Winston-Salem.

Chairman Phillips noted the possibility of a request for the County to participate in the Greensboro-Randolph Megasite, but questioned if this project should remain a priority as there is limited information regarding the timeline.

Commissioner Conrad opined there were no concrete details regarding the project, and he did not believe this should be a priority at this time.

There was general consensus by the Board to remove the Greensboro-Randolph Megasite from the list of priorities.

Vice Chairman Branson stated he could not support the decision to remove the Megasite from the list of priorities and noted this project and site development at the Airport are key to economic development within the County.

Chairman Phillips clarified that the Megasite would not be a priority item during the next fiscal year, however the Board could return priority status to the Megasite when more substantive details are provided.

Lawing stated he met with the Megasite planning group and discussed the City of Greensboro's work on water and sewer designs, Duke Energy's development of power routes to the site, and railroad companies working to establish lines within the area. He noted the activity occurring around site development and suggested the Board remain abreast of project development.

Commissioner Perdue suggested evaluating opportunities to enhance development.

The Board chose to keep the Greensboro-Randolph Megasite on its list of priorities for FY 2017.

Commissioner Cashion expressed her support of maintaining the site on the Board's priority list.

Commissioner Trapp spoke to the need for the Board to create a business-friendly atmosphere within the County.

Chairman Phillips stated staff were directed to develop permitting efficiencies within the County.

Lawing discussed the potential for consolidated permitting process with the City of Greensboro and identified additional efficiencies in the County's permitting process. He reviewed the findings of a report completed four (4) years ago, which confirmed there were few efficiencies gained through consolidation and noted the potential addition of steps and costs through this process. Lawing confirmed the Planning department was researching potential internal efficiencies.

Chairman Phillips requested staff continue their work to improve the permitting process to encourage economic development within the County.

Vice Branson urged staff to work with contractors.

Commissioner Coleman arrived to the meeting at 2:54PM.

Commissioner Conrad requested the Board add "working with SAY YES Guilford to create a successful program" to the list of BOC priorities.

Motion was made by Commissioner Hank Henning, seconded by Vice Chairman Alan Branson, to approve the recommended Guilford County Board of Commissioners priorities and focus areas for FY 2016-2017.

VOTE:	Motion carried 8-0-1
AYES:	J. Phillips, A. Branson, K. Cashion, C. Foster, J. Conrad, A. Perdue, R. Trapp, H. Henning
NOES:	None
ABSTAIN:	C. Coleman

C. REVIEW BUDGETARY DRIVES (INCREASES AND DECREASES)

Lawing introduced the item and noted the importance to review areas where staff have observed cost increases and decreases during the budget preparation process.

Halford reviewed budgetary drivers with the potential to increase and decrease the budget, and noted Health & Human Services positions will generate revenue through state and federal reimbursements that can offset County expenses.

Commissioner Foster shared her concerns related to decreased funding of community-based organizations (CBO's).

Commissioner Perdue questioned the expenditure amount included in the line item for the 2% merit pool.

Halford noted the correct amount is \$886,000. He spoke to construction, renovation and master plan projects that could cost up to \$40 million in County funds, and noted the need to finance these projects. He also reviewed the potential impact of the merit pool as a budgetary driver.

Commissioner Coleman questioned the impact of changes to the state retirement fund.

Halford stated these changes resulted in an increase in the employer's share paid to the state retirement fund, which will impact the budget. He also noted the need to account for Animal Shelter operations during the upcoming fiscal year.

D. REVENUE PROJECTIONS UPDATE

Chairman Phillips referenced the year-to-date projected revenues and questioned if the County has under spent the current budget by \$17 million.

Halford stated the County has over received revenues by \$5 million and under spent expenses by \$17.3 million, with a net positive of approximately \$22 million, to date.

Chairman Phillips noted this figure is a measurement of staff efficiency, and commented on the County's improved financial position.

Halford noted the County will have the ability to increase its revenue projections for this fiscal year, as it appears we will receive approximately \$8 million in sales tax revenue. He stated this is a 2% increase from FY 2015, and noted the County anticipates \$5.8 million in revenues to offset additional expenses.

Halford reviewed future challenges related to the fund balance, such as increases in debt repayment for voter-approved bonds. He noted the County's financial situation will improve with each delay in bond issuance. Halford discussed the infrastructure maintenance needs and noted the County will require an extra \$7 million to fund these projects during the next fiscal year. He referenced increases in foster care and changes to laws regulating personnel overtime and retirement rates that will impact budgetary recommendations for FY 2017.

E. NEW POSITION REQUESTS

Lawing introduced the item and stated sixty-two (62) new positions have been requested by County departments. He advised the Board the County is unable to absorb the total number of positions requested and confirmed his budget recommendations will include few positions. Lawing noted DHHS-Social Services positions, Public Information Officer (PIO) and Assistant County Attorney positions will be included in his recommendations.

Lawing reviewed the draft PIO job description and requested feedback from the Board regarding the scope of the position. He reiterated the job description and listed positions are only for information, and noted he was not providing final recommendations at this time.

Vice Chairman Branson shared the County recently lost the Parks Director position and stated this was a huge loss. He expressed concerns that Parks staff are being utilized to assist with facility needs, such as moving voting machines during elections.

Lawing confirmed and discussed the benefits of the relationship between Facilities and Elections staff, and the ability to share personnel to accomplish County goals. He noted Facilities staff can be trusted and held accountable given the sensitivity of Election needs, and noted the Elections budget includes funding to contract with part-time temporary staff to assist with Parks operations during election years.

Vice Chairman Branson reiterated his concerns with utilizing Parks staff to assist in Facilities functions.

Commissioner Coleman questioned if the County conducted exit interviews, and noted she has received concerns from employees.

Chairman Phillips noted the need to review the job description.

Lawing confirmed exit interviews have been conducted.

Commissioner Trapp clarified the County Manager will provide his position recommendations to the Board.

Lawing reviewed the PIO job description and noted the different options under consideration. He stated the presented description included a mid-level scope of work, and did not list a salary range, as it would be dependent upon the final recommendations.

Commissioner Coleman questioned if the listed \$65,000 would include benefits.

Lawing stated the \$65,000 was the salary, excluding benefits.

Commissioner Coleman questioned the request for a Family Justice Center Program Supervisor.

Catherine Johnson, Family Justice Center (FJC) Director, stated the County coordinates programs within the Center and this position will assist with the coordinating partner agencies, operational supervision of approximately twenty (20) volunteers, managing the internship program, and navigating clients.

Commissioner Coleman questioned if Administrative Assistant was recently hired.

Johnson confirmed an assistant was recently hired and noted her primary role was to answer phones, coordinate calls and services for clients.

Commissioner Coleman questioned if additional outreach had been conducted to include African-American partners and employees within the department.

Johnson stated she continues to meet with community partners on a regular basis to qualify them to work within the Center.

Commissioner Coleman spoke to the need to ensure diversity at the FJC.

Johnson noted the need to improve diversity within the department, and discussed recent internship collaborations with Bennett College and Shaw University.

Commissioner Cashion questioned how the County PIO position would compare with the City of Greensboro's PIO and encouraged staff to review their pay structure.

F. FIRE TAX RATES

Halford noted the County has not received any requests from the Fire Districts to increase their tax rates.

Vice Chairman Branson referenced resolutions from smaller towns within the County requesting redistribution of taxes and questioned services provided beyond fire services. He noted services provided by the County, such as Law Enforcement and Emergency Services.

Halford stated the County does factor in sales tax revenues when determine its ability to handle upcoming bond issuances, and noted the County requires this revenue to fund the numerous services provided. He stated as expenses have increased, bond issuances have been proposed to the Board and the public.

The Board discussed the challenges faced with funding fire services.

Lawing questioned if the Board would like to schedule another budget work session.

By unanimous consent, the Board agreed to cancel the budget work session scheduled for April 28, 2016 at 2:00PM.

Lawing referenced the recent incident where a County employee lost his home as a result of a County vehicle fire. He noted the County employee and his family were safe.

III. ADJOURN

There being no further business, the meeting was adjourned by unanimous consent at 3:45PM.

Robin B. Keller, Clerk to Board

Jeffrey M. Phillips, Chairman