

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

Greensboro, North Carolina
April 3, 2025

PRESENT: Chairman Melvin “Skip” Alston, presiding; Vice Chairwoman J. Carlvena Foster; Commissioners Kay Cashion, Brandon Gray-Hill, Carly Cooke, Mary Beth Murphy, Frankie T. Jones, Jr., and Alan Perdue.

ABSENT: Commissioner Pat Tillman.

ALSO PRESENT: County Manager Michael Halford; County Attorney Andrea Leslie-Fite; Deputy Clerk to the Board Ariane Webb, Deputy Clerk to the Board T’ebony Rosa; Victor Isler, Assistant County Manager; Jason Jones, Assistant County Manager; Erris Dunston, Assistant County Manager; Toy Beeninga, Budget and Management Director; Ben Chavis; Tax Department Director; Jim Albright, Emergency Services Director; Dr. Anthony Clarke, GTCC President and CEO; Cheri Neal, Guilford County CoC Program Manager; members of staff, media, and the public. Virtual participation was made available to members of the public and media partners.

I. WELCOME AND CALL TO ORDER

Chairman Alston welcomed those present and called the meeting to order at 3:35 p.m.

II. NEW BUSINESS

A. GTCC BUDGET PROPOSAL (FY 25/26 BUDGET CONSIDERATIONS)

Chairman Alston introduced the agenda item and recognized Guilford Technical Community College (GTCC) President and Chief Executive Officer (CEO) Dr. Anthony Clarke.

Dr. Clarke provided a brief overview of the college’s history. He noted that they are currently ranked the third largest community college in the state. He noted that they serve just over 13K certificates, 13K workforce students, and 11K curriculum students. He reviewed additional enrollment demographics with the Board.

Dr. Clarke reviewed the in-person student attendance classroom contact hours. He noted the economic growth in the community as well as other factors such as access to dollars, grants, and communications efforts for prospective students. He noted that they have seen a 23% increase in contact hours. He noted 93.5% of the increase in participation is from Guilford County.

Commissioner Jones noted the number of 2024-2025 contact hours at the Jamestown Campus.

Vice Chairwoman Foster questioned what attributes to the increase at the High Point campus.

Dr. Clarke noted that about three (3) years ago they began contributing to the improvements at the High Point campus. He shared that there are additional science programs and programs of interest.

Vice Chairwoman Foster shared that she would appreciate reviewing a zip-code analysis as well.

Dr. Clarke confirmed providing that information and noted an across-the-board growth in all programs by 8%. He shared that GTCC is ranked seventeenth (17th) out of all fifty-eight (58) community colleges.

Dr. Clarke continued the presentation by reviewing the current budget, with total county operating contributing approximately \$19M of the budget. He noted that they are seeking a \$433,582 increase for operational costs, and \$287,500 would allow for an additional 1% for a merit increase from 2% to 3%.

Dr. Clarke shared the total operating increase request of approximately \$1.2M. He reviewed the capital cost increases and last year's county request to utilize their reserve balances. He shared that they would like to use the remaining fund balance to make fire training program improvements. He requested an approximate \$1.6M increase in capital funding. He thanked the County for its historical support of the community college.

Dr. Clarke reviewed the proposal for capital improvements to include replacement of the fire training burn tower. He proposed longer-term capital planning for GTCC. He shared Cameron Campus construction for aviation, the Greensboro/Jamestown campus for mechatronics expansion to support Toyota Battery Manufacturing, and current employers and investments in the Jamestown Main campus for STEM programs.

Dr. Clarke shared that they are moving forward with current construction projects. He spoke to the ongoing growth in aviation. He noted the summary request for operation funding of approximately \$20.2M and local capital budget of approximately \$1.6M. He shared that they will continue to seek state funding of \$1.8M for the second building for the Aviation Center planning and design work.

Dr. Clarke concluded the presentation by recognizing the GTCC faculty, staff, team members, and students.

B. FY 25/26 BUDGET CONSIDERATIONS

County Manager Halford provided an overview of service discussions held last November through March in preparation for the budget. He reviewed the recommended budget guidelines for reciprocal Commissioner feedback to guide in the decision-making process.

Halford noted the potential interest of considering the use of bond model flexibility to protect the County's ability to provide and enhance other services for our residents and limit property tax rates to provide predictability and stability for our residents and businesses. He noted that the

bond model was used with the assumption that the schools would be moving faster through the construction projects.

Halford noted that in the last few years, the Board has added approximately \$15M in fund balance and would like to move those expenses back into a recurring tax rate. He sought Commissioner feedback regarding their thoughts on the budget guidelines he is using to focus his budget planning.

Commissioner Jones noted that as we continue to work through the presentation, that would be helpful.

Commissioner Cooke shared that what is not included in the guidelines are the schools, and preferred seeing a school commitment.

Commissioner Jones shared that he understood that the “core county functions” indicator would inherently include the schools.

Commissioner Murphy shared that she would like to see a commitment to at least keep the schools whole, and reflected that would be at least \$2M.

Halford noted that he understands that the schools are included, but a policy decision would be if the Board was willing to cut its county functions to increase funding to an outside entity.

Commissioner Perdue noted that he would like to see if we increased the school numbers what would the impact be to mandated services at the county. He questioned how the cuts correlated to a reduction in services to the citizens.

Halford shared that the current option maintains county services and does not cut staffing. He noted that if the Board makes decisions to change what is in the presentation, then the Board would provide direction on what areas would be impacted.

Halford shared with the Board the items that he would include in the budget recommendation. He noted that we do have some general growth in property and sales tax, departmental revenues, and reimbursements as well as the debt model capacity as follows:

- Continuation of the performance-based merit program at 3% and compensation maintenance at 2%
- Reinstates the core major technology, vehicle replacement, county capital, and major equipment replacements
- Maintains FY25 school funding and growth in charter school enrollment
- Maintains GTCC operating Budget but adds back in the \$5M in capital
- Additional 26 positions in Child Protective Services to strengthen assessments and foster care program to align with recommended state ratios
- Additional 24 EMS positions to support peak unit demand and improve associated response times.

Chairman Alston questioned if there was a cost associated with each of the indicator points.

Halford noted that they will make that cost column adjustment and provide it to the Board. He asked the Board to help identify what is important to the Board regardless if the funding is available. The following priorities were discussed:

- Additional 8 positions in Social Services to accommodate demand and processing time standards for residents applying for food and nutrition services
- Additional 8 positions in Animal Services to steady operations, expand coverage for animal control, and expand oversight of the foster rescue program
- Expand 7 positions in Human Services in programs fully funded with outside sources (no county funds) – Daycare Services (x3), High-Risk Pregnancy Social Work III, Sexually Transmitted Disease Advanced Practice Provider, Certified Medical Coder, and Community Health Education I
- Fund certain Sheriff's Office priorities including replacement of Criminal Justice Information Service-compliant computers, jail management and record systems, and Mobile Command/SERT vehicles

Commissioner Cashion noted that she does not see any additional positions in the Tax Department.

Tax Department Director Ben Chavis noted that they are working on the revaluation process now. He noted that he initially had seven (7) requests in his budget and noted that there were three (3) requests that were critical. He shared that the most pressing needs that we have are related to the reappraisal process, including the two (2) commercial appraisers at \$229K and to add yearly arial imagery to support appraisal process (\$129K annually). He shared that the third critical item is the appeal module which is \$86K annually.

Halford noted that the Board has established a reappraisal fund that they would recommend two (2) of the three (3) requests to go through the reappraisal funding.

Commissioner Cooke questioned whether the two (2) commercial appraisals would increase tax collection.

Chavis confirmed. He noted that it allows picking up new properties and adds integrity to the process. He noted that they currently use an outside vendor.

The Board discussed the Tax Department's requests.

Halford noted that the recommendations do not include all the staff requests. He shared that there are some unfunded recurring expenses, such as Sheriff's pay, retiree healthcare, and education increases. He recommended using some of the funds from the bond model to address these topics for one (1) year. He cautioned that with new federal tariff changes, we may see increased costs for major equipment needs and vehicle replacements.

Halford reviewed the Medicaid Maximization funding. He noted that while Emergency Services and Public Health have received funds in the past, there are federal dollars used to reimburse Public Health that created a fund balance that was used to fund positions in Public Health. He

shared that several years back the Board began pulling those positions back into the regular budget over the years. He noted that as of last year, there was \$16.1M available. He noted that the county used \$4.2M in last year's funding and there is an additional \$3.7M available to move all eligible Public Health positions onto Med-Max dollars to help refund the fund balance.

Chairman Alston noted that during the Retreat, we used a figure of \$18M.

Halford noted an additional \$2M of restricted funds through Med-Max.

Commissioner Jones asked to confirm that we have no indications that Med-Max funds would be impacted by federal actions.

Halford confirmed.

Commissioner Cashion questioned the downside of using Med-Max funding.

Halford noted that there is always a risk of using non-recurring funds for positions could lead to those positions being eliminated if the funding is reduced or eliminated. He noted that the funds are not guaranteed.

Halford shared slide 11 (Option Summary) chart for Board consideration. He spoke to shoring up \$15M in fund balance to balance the budget. He outlined operating expenses for GC Schools and GTCC. He explained property tax transfer impacts. He spoke to the school bonds and to recurring revenues.

Halford asked the Board for feedback regarding adjustments. He asked for Med-Max funding usage.

Commissioner Murphy questioned the \$21M on the county capital adjustments, if it was the total.

Halford noted that no, it was \$21.3M for the county and \$13.2 on the schools.

Commissioner Murphy clarified that the request is to take cash in the model.

Halford clarified that there is an existing 5.6 cents of revenue to fund the model. He shared that it is taking the recurring property tax revenue going into the model.

Commissioner Murphy clarified that we will continue to make our \$50M payment.

Halford confirmed.

Commissioner Murphy clarified that next year we would have to come up with \$34M in recurring funding next year.

Halford confirmed that the Board would need to make decisions next year on how to get those funds back into the recurring balances.

Commissioner Perdue shared that he would like to see Fire Protection services added back into recurring costs. He shared that it would be helpful for the additional positions. He juxtaposed several timeframe questions to include when they would start, whether these funds are for a full

year of salary, or what the difference would be if we start them mid-year, or after the second quarter.

Halford noted that all the costs of the Fire Districts are out in the districts. He shared that there are portions of those costs to maintain the 911 system that is in the county's recurring cost model. He explained we are considering an option to get more ambulances on the road. He shared that we could raise taxes, or allocate those expenses throughout the districts that are generating those costs.

Commissioner Perdue explained that when you are looking at 911 costs, there is a large percentage of calls for fire service and would not support that cost distributed back to the districts.

Chairman Alston questioned the \$32M from the bond model.

Commissioner Cooke questioned the cash model versus the property tax revenues.

The Board discussed the options.

Chairman Alston noted that if we take that \$34M, and based on reappraisals, looking at potentially \$50M, and then we would have to give that to the schools as recurring debt, limiting funding for county services.

Halford reviewed the bond model spreadsheet document and explored hypotheticals to which the Board did not adjust the tax rate to not use one-time costs from the model.

Chairman Alston cautioned that we know that we will need to start issuing additional bonds and continue to plan for the school board's capital needs so that we can plan for known plan funding shortfalls.

Commissioner Cooke questioned which year we hit the lowest point.

Staff confirmed that it will be 2038.

Commissioner Cooke noted that the model starting in 2038 allows cash to finance future school needs without requiring bonds.

Halford requested input from the Board on the proposed expenses outlined in the presentation.

Commissioner Cooke questioned the American Rescue Plan Act (ARPA) fund balance with \$9M or so, and further questioned if there were interest-earning only funds.

Halford confirmed.

Commissioner Cashion noted the scenario as presented and questioned credit rating impacts.

Halford noted that we will continue to work through funding options.

Commissioner Perdue noted the needs for Fire District 28 and requested a review of Rural Fire Districts.

1. Rural Fire Districts

EMS Director Jim Albright shared that staff have spent time reviewing the Fire District budgets this year because of the funding shortfalls. He noted the extensive amount of work for Fire District 28, noting that they have an operating shortfall this year to meet their financial obligations. He noted that this includes a debt repayment beginning in July.

Budget Director Toy Beeninga shared that staff are recommending approval of a budget amendment up to \$66K and authorize the County Manager to develop a reimbursement agreement with Friedens No. 28 FPSD for radio replacements, to free up district resources to provide sufficient funding to meet the current year's cash flow needs and a July 2025 debt service payment.

Halford added that how that would be paid for would include an adjusted Fire Tax Rate to be increased to cover the repayment plan.

Motion made by Commissioner Alan Perdue, seconded by Commissioner Mary Beth Murphy, to approve a budget amendment up to \$66K and authorize the County Manager to develop a reimbursement agreement with Friedens No. 28 FPSD for radio replacements, to free up district resources to provide sufficient funding to meet the current year's cash flow needs and a July 2025 debt service payment.

The motion carried unanimously 8:0 with Commissioner Tillman absent.

C. CONTINUUM OF CARE SUPPORT UPDATE

Assistant County Manager Victor Isler and CoC Program Manager Cheri Neal introduced this item.

Isler noted that at their recent CoC meeting, they have indicated that they are considering seeking the county to serve as both the Collaborative Applicant as well as the Lead Agency.

Isler reviewed that in 2020, the county added four (4) positions to support the Collaborative Applicant, if we are to move forward to support the work of the task force and accept the Lead Agency role we would need to request additional three (3) staff to support the work to include a Homeless Services Director and two (2) additional CoC Specialists. He noted that the cost to the county would be an additional \$628,217 annually. He clarified that this cost included nine (9) months for the director and six (6) months of funding to start the two (2) additional positions.

Commissioner Murphy questioned if any of the \$628K funding is included in the Manager's proposal.

Halford shared that all the costs are included in his proposal today.

Commissioner Murphy questioned whether the full-year cost would be in the carrying year and when ARPA funds carry over.

Isler noted that the full year costs would be \$900K for the full team of seven (7); the ARPA funds carryover is approximately \$32K.

III. OTHER BUSINESS

There was a request to amend the previous motion to name a revenue source.

Motion was made by Commissioner Alan Perdue, seconded by Commissioner Mary Beth Murphy, to amend the Rural Fire District 28 requested action and approve debt repayment to come out of future revenue proceeds.

The motion carried unanimously to amend the motion to include a funding source.

IV. ADJOURN

There being no further business, the work session was adjourned by unanimous consent at 5:23 p.m.

Melvin "Skip" Alston
Chairman

Robin Keller
Clerk