

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

Greensboro, North Carolina
February 7, 2019

The Board of County Commissioners met in a duly noticed Work Session at 3:30PM in the Blue Room located on the 1st floor of the Old County Courthouse, 301 W. Market St., Greensboro, NC.

PRESENT: Chairman Alan Branson, presiding; Vice Chairman Jeff Phillips; Commissioners J. Carlvena Foster, Hank Henning, Kay Cashion, Justin Conrad, Melvin “Skip” Alston, Alan Perdue.

ABSENT: Commissioner Carolyn Q. Coleman

ALSO PRESENT: County Manager Marty Lawing; County Attorney Mark Payne; Deputy County Manager Clarence Grier; Robin Keller, Clerk to Board; Michael Halford, Budget Director; Harley Will, Finance Director; Karen Fishel, Human Resources Director; members of the staff, community and media.

I. WELCOME / INTRODUCTION

Chairman Branson called the meeting to order at 3:50PM and welcomed those present.

II. REVIEW AND DISCUSS 2/3RDS BOND OPTIONS

Finance Director Harley Will reviewed the county’s total long-term debt financing with the Board. He discussed the calculation of available 2/3rds bond capacity and noted the value is higher as a result of a recent financing.

Vice Chairman Phillips questioned if the information provided indicates that if the county issues \$56 million in 2/3rds bond this year, an additional \$43 million could be issues next fiscal year.

Will clarified that the county could begin staggering bond issuances, but could not issue bonds consecutively.

Vice Chairman Phillips noted the county could lose an additional \$15 million if bonds were not issued this year.

Will confirmed and stated if the county did not issue this year, bond issuances would return to the normal pattern of \$40-\$45 million.

Commissioner Alston clarified that through this form of financing, the county could only borrow 2/3rds of what we pay towards bond issuances each year.

Will confirmed and stated that within the current payment plan, the county retires approximately \$60 million annually. He shared the opportunity to issue \$40 million in bonds, but with this years refinancing, if the county chose to issue \$56 million there would be less of a need to issue bonds next year.

Will reviewed the existing capital projects at the Old County Courthouse, Phase I of the EMS logistics and maintenance facility, Mental Health replacement facility, new Animal Shelter, Law Enforcement Administrative building, Otto Zenke building demolition and Guilford County Schools security upgrades. He noted the total for these projects is approximately \$90 million and discussed the Local Government Commission deadlines for bond issuances.

Will stated funding generated from a bond issuance is intended to be spent within three (3) years. He reviewed proposed projects under consideration such as Courthouse parking deck repairs, EMS Phase II – Administration and EOC, Juvenile Detention Center expansion and Bryan Park Soccer field renovations.

Will discussed recommended repayment schedules should the Board choose to issue all the bonds and options for incremental tax rate increases if the bonds were issued and principal amounts were paid.

Vice Chairman Phillips questioned if the tax rate increase recommendation is an equivalency tax rate versus a required increase.

Will confirmed the Board would adopt the rate and noted the figures are equivalency rates.

Vice Chairman Phillips shared this option does not consider future revenues and other parameters such as, expense reductions that could offset the need to increase the tax rate.

Commissioner Alston questioned if revenue growth is at 2% annually, and if so, what is the dollar calculation.

Will stated the deadline to finalize bond issuance is June 30, 2019 and reviewed the associated calendar schedule. He shared that staff will require direction from the Board by February 21, 2019 in order to complete the sale by June 20, 2019.

Commissioner Cashion requested clarification regarding the bond issuance timeframe.

Will reiterated he required a decision from the Board regarding the projects to be funded and the funding amounts by February 21, 2019.

Clay Hicks with the Finance Department spoke to the need for accuracy when determining the specific needs for identified projects and the total issuance amount.

Commissioner Alston shared his interest in having more in-depth discussions during the Board's upcoming retreat.

Commissioner Conrad echoed Commissioner Alston's comments.

County Manager Marty Lawing shared staff's recommendation of issuing \$51-\$52 million in bonds. He noted that there has been minimal discussion regarding courthouse repairs and expressed concerns with paying for this project using bond funding, although it was included on the existing capital projects schedule. Lawing confirmed that the High Point Parking Deck repair project was funded through other revenue sources, as the LGC does not recommend the use of bond financing for parking deck capital projects.

Commissioner Perdue questioned the ability to amend the application, once filed.

Hicks stated there is a week between submission of the application and LGC voting. He offered an example of submitting an agenda item for Board consideration as comparison, and shared the LGC's preference for the county to have bids in hand.

Deputy County Manager Clarence Grier spoke to the potential risk of modifying the application submission and LGC voting dates, which could result in extending the bond issuance date past June 30th and possible loss of the entire issuance.

Commissioner Perdue questioned if the Board has the option to issue less than the approved bond amount, upon approval.

Hicks confirmed the County could be authorized for the full bond issuance and still retain the option to issue less than the approved amount.

County Attorney Mark Payne stated the bonds are issued simultaneously and noted the costs associated with only issuing \$45 million of a \$52 million bond issuance would be calculated in May 2019. Payne shared that the remaining revenue could be allocated towards debt service.

Commissioner Alston questioned the length of time available to issue the bonds, upon review of the approval.

Hicks stated issuance must be completed in FY 2018-19 and reviewed the application process and details associated with preparing the request.

Vice Chairman Phillips recommended re-grouping and re-prioritizing the listed capital projects.

Chairman Branson noted the Board has discussed capital project priorities for several months, and referenced the Law Enforcement Center (LEC), Animal Shelter and EMS projects. He expressed his interest in making final decisions and moving forward.

Motion made by Commissioner Melvin "Skip" Alston, and seconded by Commissioner Justin Conrad, to continue discussion of 2/3rds bond options during the Board of Commissioners Retreat scheduled for February 25-26, 2019.

Commissioner Henning questioned the status of the retreat agenda and recommended staff include fewer items to allow more time for discussion.

Commissioner Perdue recommended the Commissioners work with staff to answer questions regarding the capital projects.

Motion made by Commissioner Melvin “Skip” Alston, and seconded by Commissioner Justin Conrad, to continue discussion of 2/3rds bond options during the Board of Commissioners Retreat scheduled for February 25-26, 2019.

VOTE: Motion carried 8-0

AYES: Alan Branson, Jeff Phillips, J. Carlvena Foster, Hank Henning, Kay Cashion, Justin Conrad, Melvin “Skip” Alston, Alan Perdue

NOES: None

ABSENT: Carolyn Q. Coleman

Commissioner Alston questioned if the Board had options to include items on the retreat agenda and requested a draft version for review.

Budget Director Michael Halford shared the amount of funding needed to balance the capital plan in the upcoming fiscal year. He reviewed the operating budgets for GCS and Guilford Technical Community College (GTCC). Halford discussed ten (10) year general fund projections and noted recurring revenues have decreased by approximately \$12 million.

Vice Chairman Phillips questioned some of the capital project calculations.

III. HOLD CLOSED SESSION TO CONSIDER CERTAIN PERSONNEL MATTERS REGARDING THE BOARD’S REPORTS

Motion made by Vice Chairman Jeff Phillips, and seconded by Commissioner J. Carlvena Foster, to enter into closed session pursuant to N.C.G.S 143-318.11(a)(6) to discuss certain personnel matters regarding the Board’s Reports.

VOTE: Motion carried 8-0

AYES: Alan Branson, Jeff Phillips, J. Carlvena Foster, Hank Henning, Kay Cashion, Justin Conrad, Melvin “Skip” Alston, Alan Perdue

NOES: None

ABSENT: Carolyn Q. Coleman

The Board entered into closed session at 5:01PM.

The Board reconvened from closed session into open session at 5:12PM.

Motion made by Vice Chairman Jeff Phillips, and seconded by Commissioner J. Carlvena Foster, to approve the following merit pay adjustments for the 2018 review period:

For Tax Director, approve merit increase of 3.2314%

For Clerk to Board, approve merit increase of 3.2314%

For County Manager, approve merit increase of 3.0776%

For County Attorney, approve merit increase of 2.6274%

For Elections Director, approve salary adjustment increase in the amount of 3%

For Register of Deeds, approve salary adjustment increase in the amount of 3%

VOTE: Motion carried 8-0

AYES: Alan Branson, Jeff Phillips, J. Carlvena Foster, Hank Henning, Kay Cashion, Justin Conrad, Melvin "Skip" Alston, Alan Perdue

NOES: None

ABSENT: Carolyn Q. Coleman

IV. ADJOURN

There being no further business, the Board adjourned the meeting by unanimous consent at 5:13PM.

Chairman
Guilford County Board of Commissioners

Clerk to Board