

**MINUTES OF BOARD OF COUNTY
COMMISSIONERS
OF GUILFORD COUNTY**

Greensboro, North Carolina

April 25, 2017

The Board of County Commissioners met in a duly noticed work session on April 25, 2017 at 8:30AM in the Blue Room located on the first floor of the Old County Courthouse, 301 W. Market St., Greensboro, North Carolina.

PRESENT: Chairman Jeff Phillips, presiding; Vice Chairman Alan Branson; Commissioners Kay Cashion, Carolyn Q. Coleman, Alan Perdue, Justin Conrad (in at 12:11), Hank Henning and Skip Alston and Carlvena Foster (in at 8:46AM)

ABSENT: District 8 Seat VACANT

ALSO PRESENT: County Manager Marty Lawing; County Attorney Mark Payne, Deputy County Manager Clarence Grier; Robin Keller, Clerk to Board; Michael Halford; and members of the community and media.

I. WELCOME AND CALL TO ORDER

Chairman Phillips called the meeting to order at 8:39AM and welcomed all those present.

II. 2017 – BUDGET UPDATE

County Manager, Marty Lawing, introduced the meeting. He shared the purpose of the meeting was to begin preliminary discussions for budget preparation, and solicit feedback from the Board regarding recommendations.

Budget Director, Michael Halford, provided an update to the Board on the current 2017 budget figures. He reviewed the major revenue sources and expenditures. Halford noted that motor vehicle taxes were projecting slightly higher revenues than initially projected, and explained

that the budgetary data that indicated taxable sales figures continued to exhibit sluggish increases. Halford spoke to the increase in Medicaid eligible citizens. He noted the increase in Medicaid reimbursable funds to Guilford County; that the growth in the Medicaid population had exceeded a growth in the population; that it was becoming a concerning trend as the volume of services influenced nearly all areas of Guilford County Government. He reviewed the budget in converse to the actual comparable expenses to date. He discussed the expected revenue for the State concerning Daycare services, and the State's additional 1M in funds expected over the next few months. Halford spoke to the reallocation of funds within the department combined with the additional resources from the State. He advised the Board of the anticipated budget transfer needed to cover election costs.

III. 2017 REVALUATION TAX APPEAL UPDATE

Tax Director, Ben Chavis, discussed the Tax Department's final phase of the 2017 reappraisal. He noted that they had completed the informal review for appeals. Chavis reviewed the appeal schedule, and the initial results of the appeals filed with the Board. He noted the significantly lower rate of appeals made during the revaluation in comparison to previous revaluations. Chavis outlined the indicators of a successful revaluation process, and spoke to the anticipated tax base increase, which was based upon preliminary revaluations and collection figures.

Commissioner Perdue questioned the County's process to share data captures on citizen and resident addresses for those who were 100% disabled to help aid in proper tax assessments.

IV. GROUP HEALTH PLAN CLAIMS

Human Resources Director, John Dean, introduced, Benefits Manager, Carol Campbell, to review the Group Health Care Plan claims.

Benefits Manager, Carol Campbell, reviewed the costs of specialty medications.

Dean reviewed the impacts of specialty medication usage had overall on the plan. He outlined the annual increase that was between 92% and 30% increase each year per member.

Commissioner Coleman joined via simultaneous communication at 9:20 AM.

Campbell reviewed the increased child coverage, and noted a small decrease in family coverage. She further noted that the total covered base had increased by 1.9%.

Commissioner Cashion questioned the difference in the premium paid by retirees in comparison to employees.

Campbell clarified that a 30-year retiree would pay the same premium as an active employee. She reviewed the differential scale for retirees with 20 or 25 years of service.

Commissioner Foster questioned the figures.

Chairman Phillips questioned the Health Self funded totals, 34, 683 and reviewed the difference in the stop-loss coverages. He questioned the number of active members on the plan.

Dean reviewed the efforts the County had taken to address the rise in costs including mandatory employee meetings, participation audits, and health bio-metric screenings.

Chairman Phillips noted that Commissioner Coleman was participating via phone until 10:30AM.

Campbell noted that there had been an increase in the medical costs on the plan. She reviewed the executive summary of the County's health care expenses.

Chairman Phillips questioned other factors for contributions to other plans, and the standard procedure for UHC, particularly to other municipalities, if the County's expenses were higher.

Campbell reviewed a monthly report of expenses, and stated that upon annual review the expenses among others, Guilford County's were comparable to the expenses generated by counties and municipalities.

Campbell noted that the distribution of claims, and emphasized that 33 people had over 100K in claims that totaled 6.2M on the current plan. She noted, too, that a large part of the money in the plan had not been expended.

Commissioner Perdue noted that if blanket changes were made, which did not impact the portion of the highest users, then it may not actually impact Guilford County's denominator.

Lawing discussed the County's options. He offered scenarios where the County shifted the costs of dependent health care to the employee, which would offset the total costs of claims paid out on the County. He spoke to the option to transfer the position vacancy funds into the internal service fund, which would also offset the costs of insurance. He stated that there were many options up for consideration that would assist in determining budget recommendations. Lawing spoke to the burdens placed on the County budget by dependent coverage costs; however, emphasized that merit increases to employees had lagged so far behind other counties that a balance to the employee needed to be struck.

Chairman Phillips stated that he would be open to hearing several options.

Halford reviewed revenue neutral tax rate model. He outlined the four steps that staff utilized to calculate a revenue neutral tax rate, and noted the comparison for the revenue neutral rate was .733 cents.

Commissioner Henning questioned how the calculations were generated among the fire districts. And, requested that, prior to any final votes, a more updated figure be presented to the Board for consideration.

Halford stated that the figures were all calculated individually. And, stated that his department would provide that information to the Board. He noted further that there would be a separate rate for the fire districts that could potentially have two rates if in the event of an overlay district. Halford spoke to the formula for a revenue neutral tax rate was effective during a stable economy, yet noted that irregular fluctuations would force the growth rate down. Halford stated

that to meet the State's requirement they needed to make public the revenue neutral rate in the budget documents.

Chairman Phillips asked when the last assessment of the rate would be provided to the Board.

Halford noted that he personally reviewed the figures daily.

V. PROPOSED FEE AND RATE ADJUSTMENTS

Planning Director, Leslie Bell, stated that Trebic was not available, but were in support of the fee changes presented with the Planning Schedule. Bell reviewed the current fee schedules for social erosion fees that incorporated Guilford County, and conversely, unincorporated Guilford County. Bell noted the overages that accrued 70% below the average fees among other jurisdictions. He noted that to increase the fees would generate more than 38K under the existing rate fee, and that with the increased fees, they sought the Board's consideration for an additional Soil Erosion Technician position.

Chairman Phillips asked if any negative feedback regarding the ability to timely complete the work with the current staff had been received.

Bell stated that none had been received due to additional communication to builders by staff, yet as development increased there was anticipation regarding the delays had become burdensome. Bell reviewed the additional fee schedule changes for the planning associated matters. He noted he was not recommending changes to single family home fees, and stated that he would recommend adding trade fees to the permitting costs.

Chairman Phillips questioned the timeline for the recommendations.

Lawing stated that some, or all, of the recommendations would be included.

Vice Chair Branson questioned the date that work would begin. He stated that with the changes the potential for one additional Soil Erosion position was necessary.

Bell stated that it would be July 1, and that they were the most comprehensive fee changes since 1991.

Commissioner Conrad discussed the increases to the appeals process. Conrad noted further the issues occurring by not refunding costs for appeals where the appellant was successful.

Bell stated that they were receiving roughly three per year, and emphasized that appeals were refunded if they withdraw before advertising costs were expended. He stated for text appeals, if the Board wanted to refund those as a part of the policies they could.

County Attorney, Mark Payne, made a comparison to the fees associated with court filings. He stated that each party carries the burden of their own fees, but the court had discretion to waive fees as a part of any final ruling.

Chairman Phillips reiterated that at times a final decision was not necessarily cut and dry, and recommended there be discretionary language included in the wording for fees associated with appeals as the attorney recommended.

Commissioner Henning thanked Leslie Bell for all of his work, commended Mr. Bell for all of the work that he has done for the with the community partners.

Public Health Director, Merle Green, reviewed the Smart Girls training fees, and noted that the Smart Girls program had an established curriculum. The proposal submitted was to increase the fee to 250.00, which when calculated contributed to a 75.00 increase. She stated that the course was taught at the 7th grade level, and therefore, proposed a fee of 250.00 for the 9th grade, “Part 2”, level.

Chairman Phillips questioned the revenue generated by the services.

Budget Analyst, Barbara Grady, discussed that the program projected approximately \$5,000 per year revenues, and stated that the majority of those trainings were held locally and generated local dollars.

Commissioner Coleman out at 10:30AM

Commissioner Cashion asked for additional information regarding the program.

Green stated that the classes were for administrators and teachers, and that it was a “train the trainer” program, such as a YMCA administrator. She emphasized that there was no cost to the students taking the course.

Chairman Phillips asked how many had currently purchased the training materials.

Green stated that approximately 20 had been purchased, and noted that the program was copyrighted. She reviewed the additional fee schedule changes for environmental health inspectors in regard to new, and remodels of current, facilities.

Halford spoke to the High Point parking deck, and advised the Board to increase the parking deck fees, as it would assist in the costs of maintenance.

Lawing clarified that with the change they would no longer require to staff the parking deck.

Recess at 11:01AM

Chairman Phillips called the meeting back to order at 11:14AM

Commissioner Foster out at 11:14AM

VI. DEBT SERVICE

Finance Director, Reid Baker, noted that with the recent refinancing structure, the Board’s intention if at all possible was to balance out the debt repayment schedule. He reviewed the impacts of the restructure with a significant leveling. He stated that in FY 18 they were not proposing any bond issuance costs.

Chairman Phillips noted the 30M issue example for 2019. He asked for clarification for an additional 2/3rds bond opportunity.

Baker confirmed, and reviewed scenarios for future bond issues and their potential to subsequently impact the budget.

Commissioner Henning spoke to the discussions with the schools and GTCC, and questioned whether or not the debt repayment was included in the overall figures allocated to the schools.

Lawing stated that they were not typically included.

Commissioner Henning stated that it would be helpful for the citizens to know the total amount that the County was allocating to the schools.

Lawing stated that incorporating those figures would indeed move the County up in overall per-pupil funding.

Halford stated for capital the County could implement a 5-year average so to account for the spikes, on the other hand, it provided a better comparison to other jurisdictions. Halford stated that the County did utilize the debt repayment process when they shared that 66 cents on every dollar in Guilford County goes to the Schools. Halford noted that they could get updated data from other counties for an unequivocal comparison.

Chairman Phillips thanked the Board for its patience regarding the process for which the debt issuance situation was approached over the past four years. He also thanked the staff for providing a transparent working relationship with the Board, and to ensure all of the options for managing the County's debt and working with the Schools was understood.

VII. EMPLOYEE MERIT OPTIONS

Halford reviewed the costs of merit, which increased from 2.25 to 3% options to the County.

VIII. OTHER BUDGETARY DRIVERS

Halford reviewed other budgetary drivers as a work through for the budget this year. He noted debt repayment; reviewed the increases in Foster Care, Daycare, and County Capital set-aside program, GTCC bonds, and GCS Superintendents requests.

Commissioner Henning questioned the Daycare funds, and the allocation of, once the State took over.

Chairman Phillips asked Social Services Director, Heather Skeens, to speak to the issue.

Social Services Director, Heather Skeens, stated that the subsidies would be taken over by the State, and the payments would be made directly to the providers moving forward. The eligibility of services would still be the responsibility of DSS.

Commissioner Henning asked that with respect to the issues in Guilford County this year, was there a cleaner process to overcome the previous issues.

Skeens stated that they were still responsible for managing the subsidy dollars, which included the local dollars through the United Way. The County would still continue to be responsible for managing those dollars, and the children who received those dollars.

Commissioner Henning recommended a more conservative approach in the upcoming fiscal year so as to not run into a similar scenario as the previous year's budgeting.

Commissioner Cashion asked for clarification regarding the day to day daycare operations, and questioned the changes in the payment system.

Skeens stated that operationally there would not be any changes; however, there would be some changes made among the finance staff.

Chairman Phillips asked for a follow up on the Foster care statistics in Guilford County.

Skeens stated that the most current number was 560 children in Foster Care. He questioned if the added 2M would cover the upcoming needs.

Skeens stated that it was their best estimate, and noted that the costs per-child were based on their medical needs, and supplying necessary placements.

Chairman Phillips commended staff for their work with the County's adoption results and efforts in foster care. He stated that there was a disturbing trend of children in need and thanked staff for their commitment.

IX. SCHOOL MEDICAL CARE OPTIONS

Merle Green stated that there was a school-based Tele Health Pilot Project. Green shared that it used electronic information to acquire the information for the patient and the provider. She stated that it would link the school nurse with the health care provider to generate faster results. Green noted that the model had been used in other counties for over 15-20 years and was not a new model. She emphasized that it was a tool to expedite communication with medical providers. Green reviewed the various implementation levels of the Tele Health Pilot Project, and shared that she had spoken with Guilford County Schools, Superintendent, Dr. Sharon Contreras, who was fully in support of the program being implemented in Guilford County Schools. She noted, too, that, due to changes at the state level, they would receive administrative funds to draw down for positions for the programs to be managed in-house.

Chairman Phillips questioned if staff felt that we could administer the programs more cost-efficient. He spoke to adding six administrators and one supervisor. The funds would cover the new positions requested. Phillips stated that during downtime the nurses could assist the other case eligibility workers to implement changes. He reiterated the current program and the process for how citizens were informed as to where and how to ask for services.

Transportation Director, Myra Thompson, stated that they would need to communicate to citizens if the program was being brought back in house on July 1.

Skeens stated that, due to the conversion into NC Fast system, the County had always been responsible for maintaining the records. She stated that they do have the data to notify all current users, and Skeens noted, too, that there were separate allocations for administration dollars and user allocations.

Children Services Division Director, Sharon Barlow, shared that the Guardian Ad Litem (GAL) program had been around since the 1960's, and was required to be involved by law. Barlow reviewed the system set-up through the GAL program, which is not administered by the County, and shared that volunteers were screened and they were asked to spend about eight hours per month, per case. She noted that they had a shortage of volunteers in the GAL program. Barlow stated that DSS is charged with working with the entire family with reunification being a priority, they also addressed medical, dental, and physical needs of the child. The GAL's purpose is to focus solely on the child; their wants; their needs; regardless of the resources available.

Chairman Phillips noted that they seem to have a significant level of influence with the courts in regard to legal outcomes for the child.

Barlow stated that a GAL is a legal party in Guilford County. They have the right to address the court and make recommendations to the courts. They do serve as a vital part as to the outcomes of any case.

Payne shared that the County can communicate with the GAL regarding better communication for major plan change recommendations that would impact a child.

Commissioner Henning shared that he had received complaints from foster parents regarding the GAL program, and the lack of accountability in instances where issues had manifested in the GAL program. He noted concerns with the limited vetting process of the GAL program.

Commissioner Conrad echoed Henning's comments, and added that the Judge makes a decision to only rely on the GAL, and not the County, particularly on a program that the County had fully funded. Conrad expressed concerns where another party had such significant impact over the County's role.

Payne advised that per the way the system was designed the only thing we can do is ask for better communication.

Commissioner Henning stated that for a volunteer to have such authority over a child in the County's care and custody with trained employees was concerning, given the little accountability.

Barlow noted that the GAL program had had several changes and turnovers in the last four to five years. The Attorney advocate and supervisors had remained the same, yet the administration had changed quite frequently. DSS staff consistently work closely with GAL advocates.

Commissioner Cashion expressed concern regarding the recent issues with the GAL program. She stated that historically they have had a stellar reputation in Guilford County, but questioned if they had seen a trend in rising issues. She noted, too, that a lot of the responsibility lay with the judge.

Commissioner Henning stated that if the County had room to improve, he hoped that all of our partners would reach out for discussion. He shared that he was disappointed in this instance.

Commissioner Conrad echoed Henning sentiment.

X. ADJOURNEMENT

The meeting adjourned by unanimous consent at 12:24PM.

Chairman, Jeffrey M. Phillips
Guilford County Board of Commissioners

Robin B. Keller
Clerk to Board