

GUILFORD COUNTY COMMISSIONERS WORK SESSION
1st Floor Blue Room, Old County Courthouse
301 W. Market Street, Greensboro NC
November 29, 2017
2:00PM

Present: Chairman Jeffrey M. Phillips, Vice Chairman Alan Branson, Commissioners J. Carlvena Foster, Carolyn Q. Colman, Melvin “Skip” Alston, and Justin Conrad.

Absent: Commissioners Alan Perdue, Katie “Kay” Cashion, and Hank Henning

Also Present: County Manager Marty Lawing, Deputy County Manager Clarence Grier, County Attorney Mark Payne, Clerk to the Board Robin Keller, members of staff, and members of the press.

I. WELCOME AND CALL TO ORDER

Chairman Philips called the Work Session to order at 2:13PM

County Manager Marty Lawing reviewed the agenda items to be discussed, and introduced the first item.

II. REVIEW COUNTY’S COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

Reid Baker, Finance Director, introduced Audit Senior Accountants from Cherry Bakaert, LLP, Andrea King and Lonnie Keogh.

Ms. Keogh thanked the Board for the opportunity to review the County’s Audit Report. She highlighted the packet information, and outlined the goals of Cherry Bakaert as financial advisors and auditors.

Ms. King outlined the results of the audit and highlighted specific audit areas, and shared that they issued an unmodified opinion of the County’s financial statements, Yellow Book, and the State and Federal Signal Audit findings, which is the highest level of assurance from an audit report. She noted that they had reviewed a total of 140 foster care cases, in addition to adoption records, and eligibility services records. She shared other non-finding relating programs that were analyzed but noted there were no issues found. King discussed the implementation of GASB 64 and some additional supplemental information provided in the financial statements that should be reviewed by the County.

Ms. Keogh outlined the audit internal controls of the process. She spoke to significant cycles, journal entries for proper documentation, and IT Controls. She shared the results of the internal control testing among significant cycles such as cash receipts, cash disbursements, payroll, financial close and reporting, and the management of investments and Grants.

Ms. King noted several specific audit areas that changed this year regarding the General Fund along with significant increases in collections and a property tax increase. She emphasized that sales tax revenues increased by 6M, and noted Medicaid services reimbursement increased as well as ambulance fees. Expenses related to expenditures increased by 5.7% in human services related to public services and system eligibility. King spoke to the second increases of 3.3% for public safety regarding emergency services, salaries, equipment, and vehicles. She stated that the Total Fund Balance increased by 26M, and the Undesignated Fund Balance was holding at 87M, which is 14.4% of the fiscal year budget in converse to that of a mere 4% last year. She stated that the main increase related to cash went up 117M, which is associated to the debt of Guilford County Schools (GCS) and the GO bonds. She noted that the County's total capital assets had decreased due to standard depreciation rates. She spoke to the County's long term debt that consists of County issued debt related to School Construction projects which fund those assets. She stated that the total bonds increased 149M, the other larger increases were associated to net pension liability, with pension and OPEB increasing. King shared that there were four clean unmodified opinions, with no adjusting or past adjusting interest, no material weakness and no significant deficiencies.

Ms. King thanked Reid Baker and his staff for their assistance throughout the process. She elaborated further on the general government expenditures, and discussed the causes of the increases. She spoke to the increased expenditures in EMS; discussed the restricted fund balance, minimum fund balance of 8%; and the fiscal year budget impacts, and highlighted the cash investments government-wide, which additionally underwent an increase.

Chairman Phillips thanked the auditors for their work.

III. ANIMAL SHELTER CONSTRUCTION AND DESIGN CONSIDERATIONS

Lawing introduced Robert McNiece, Facilities/Parks and Rec/Property Management Director, to discuss the design and construction of the future Guilford County Animal Shelter (GCAS).

Mr. McNiece introduced Mike Barnard from Talmage Payne PNP to discuss the design and construction of the shelter.

Mr. Barnard reviewed the preliminary evaluation of the current Animal Shelter (GCAS) site, and spoke to their experience as shelter designers that include state-of-the-art facilities in Beaufort County South Carolina, HSSA, Arizona, and Harris County Texas, and other counties nationally. He reviewed current GCAS shelter statistics, and noted that the GCAS adoption rate was at 49%; the return to owner rate was at 9.8% with a 58% live release rate that places Guilford County on par with statistics from shelters across the state. Barnard addressed the current policies implemented at the shelter, and offered several recommendations such as a spay/neuter program; no-trap neuter release program; and providing public education. He spoke to the policies associated with the shelter, and the overall efficacy of the customer retail experience, and stated that there is room for improvement. He noted the condition of the current shelter, and discussed ways it could be made more efficient to both staff and customers. Barnard highlighted the people versus animal population level increase over a decade, and projected that based on the current trajectory, animal

intake will increase exponentially over the next ten years and a facility that can be expanded over time was essential. He identified several strategies for improving live release rates, and provided several examples of programs, such as Operation Kindness whose foot traffic to shelter experienced a 37% increase of adoptions over four years. He reviewed the three recommended Options: (1) build a new building based on a 14-day average length of stay, (2) new building based on 10-day average length of stay, and (3) additions and renovations to existing building based on 10-day average length of stay. Barnard emphasized that to refurbish the current site would be more cost-effective, but overall lacked the additional space for future expansion.

Chairman Phillips inquired about upgrades on the existing site; if a viable alternative yet existed to move all of the current shelter's population of animals to another site while renovations were performed; and the costs associated with moving the animals. He also noted the noise of construction and how that would impact the overall well-being of the animals.

Commissioner Conrad noted an 800 sq. ft. County Farm location to house animals during construction on the current site.

Mr. Barnard outlined the challenges to staff in order to facilitate the construction and renovations at the current site.

Mr. McNiece provided additional points that impact renovating the existing site.

Vice Chairman Branson asked about the differences of site prep and water and sewer costs.

Mr. Barnard spoke to the site costs of implementing option 1.

Chairman Phillips emphasized the need for the Board to take care in considering the selection of an option, and emphasized the long-term investment potential for the citizens of the County in selecting a viable site for the foreseeable future.

Commissioner Conrad stated that he supported the expansion of the present site to do to its location benefits in relation to the Humane Society and geographical accessibility to citizens throughout the County. He conversely spoke to several complications and inhibitors of remaining at the current site, and believes that a new facility should be considered. He asked staff what they would like the Board to recommend at today's work session.

Mr. McNiece stated that he would like the Board to make a decision on an option that would best serve not only the citizens, but the animals and GCAS staff.

Mr. Barnard shared that the County's hiring of a Jorge Ortega as the new GCAS Director was an excellent choice for Guilford County. He additionally noted that during the first few years of opening a new site, the County could work to improve their policies and programs.

Commissioner Conrad spoke to the experience of building shelters and inquired about what some of the challenges Barnard had faced during his tenure. He shared that he would like to solicit Mr. Ortega's opinion concerning the selection of the options before making a final decision. Conrad noted that changing from 14-day to 10-day would be a decision that he would defer to staff, and noted the recent adoption of the County's spay/neuter ordinance, and that it would likely take additional time before results accrued from that measure.

Commissioner Coleman stated that she did not feel she had enough information to make a decision today, and would be in favor of postponing the decision until more information could be obtained. She inquired about the processes implemented at the Charlotte shelter, and the positive impacts they had amassed. However, Coleman stressed the need to avoid making a hasty decision, and called for more time to be given to the topic.

Mr. Barnard discussed several of the impacts attributed to policy changes at the Charlotte shelter, and emphasized the need for true local partnerships that work collectively to meet both the needs of the animals and the community. Barnard added that there was no person in the animal community who wanted to euthanize animals, and there is a great effort from communities to support County shelters toward meeting the same goals.

Commissioner Alston stated the current fiscal year budget did not include for the costs of either option 1 or option 2. He spoke to the increased costs from 9M to 15M for the overall construction, and asked staff to provide where additional funding option sources could be redistributed and allocated to afford the increased costs of a new shelter, and asked if the County had already purchased land for the new site.

Mr. Lawing stated that the initial budget factors did not include the expense of purchasing a new site. He spoke to several options of funding that could be obtained and allocated toward the project.

Mr. McNiece addressed the question concerning the purchase of the property and stated that the County has yet to close on the property, but would need a decision from the Board for how to proceed before the closing date of December 9, 2017.

Commissioner Alston stated that he would like to see the County plan for future growth, and provide citizens a first class facility, and the option to license animals in order to track them. He emphasized the importance of creating a 21-century shelter that could facilitate both the growing expansion and needs of the County.

Mr. Barnard stated that licensing has been successful all across the country; however, stated that he had experienced some reservations and hesitancy among counties in the southern region of the nation.

Commissioner Coleman noted that the County has struggled to fund the EMS facility, and expressed concerns with phasing in the construction of that project along with a new animal shelter project. She stated the necessity to hold additional discussions concerning capital priorities.

Vice Chair Branson spoke to the new shelter options 1 & 2, and the existing site, and the types of revenues could be acquired from the selling of the Wendover site. He emphasized the need for stronger leadership to implement key strategies that would facilitate positive growth at the shelter, but stated his concerns for the renovation of the current site, and spoke to the added benefits of moving forward with a new site and facility.

Mr. McNiece stated that the current site contains multiple-owners and the property lines are obscured by years of transactions. He asserted that to sell the property would require legal mitigation.

County Attorney Mark Payne discussed previous negotiations on the site, and concurred with Mr. McNiece's assessment of the property; however, stated that some of the restrictions could be negotiated away to be sold at a profit.

Vice Chair Branson noted that the current facility no longer meets the needs, or is in compliance with, current animal care regulations, and addressed concerns with renovation, and emphasized the deteriorating age and condition of the current site.

Commissioner Foster shared that she was previously against moving the shelter. She asked for the preliminary cost estimates, and expressed further concern that the County was providing more money to the Animal Shelter than it was providing to Guilford County Schools.

Mr. Lawing spoke to the previous 14M estimate, yet stated that staff was looking more toward the 9M range, and that the numbers displayed in option 2 closely reflected those previously forecasted estimates.

Chairman Phillips clarified the amount the County was providing to the Guilford County Schools 275M over a year, and that it was a separate issue.

Commissioner Conrad recommended waiting until the new director was on board to provide further insight into the best course of action, and suggested having a work session in January 2018 to provide for further consideration.

Commissioner Coleman motioned, Commissioner Alston seconded for a discussion at the regular meeting on January 18, 2018.

Commissioner Alston also suggested waiting until the new director was on board, but in lieu of a work session, hold a discussion between today and January in order to allot time for consideration for a final decision to be made on January 18, 2018.

Commissioner Conrad recommended having the discussion at the next regularly scheduled Animal Advisory Board meeting in December.

Discussion ensued concerning the January meeting schedule.

Chairman Phillips shared his interest for approving option 2 as it would be the most viable plan of implementation given the necessity of future expansion.

Mr. Lawing stated that the County was set to close on the property on December 9, 2017.

6—0 vote on the December 18th

IV. ADJOURN

By a general consensus, the Board adjourned at 3:45pm

Jeffrey M. Phillips, Chairman
Guilford County Board of Commissioners

Robin Keller, Clerk to the Board