

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

Greensboro, North Carolina  
November 18, 2021

The Board of County Commissioners met in a duly noticed Work Session at 3:00PM in the Blue Room located on the first floor of the Old County Courthouse, 301 W. Market St., Greensboro, NC.

**PRESENT:** Chairman Melvin “Skip” Alston, presiding; Commissioners Kay Cashion, Justin Conrad, James Upchurch, Carly Cooke, Mary Beth Murphy and Carolyn Q. Coleman (in at 3:09PM). Vice Chairman J. Carlvena Foster participated via virtual communication. Commissioner Alan Perdue participated via virtual communication until arrival to meeting room at 5:03PM.

**ABSENT:** None.

**ALSO PRESENT:** County Manager Michael Halford; County Attorney Mark Payne; Clerk to Board Robin Keller; Assistant County Manager Jason Jones; Assistant County Manager Erris Dunston; Ariane Webb, Deputy Clerk to Board; Scott Whitaker, Town Manager, Town of Summerfield; J. Leslie Bell, Planning & Development Director; Derrick Bennett, Finance Director; Dwight Godwin, Interim Parks Director; Eric Hilton, Facilities & Property Management Director; various members of county staff and media. Virtual participation was made available to the general public and the media.

**I. WELCOME AND CALL TO ORDER**

Chairman Melvin “Skip” Alston welcomed those present and called the meeting to order at 3:03PM.

## **II. NEW BUSINESS**

### **A. EXTRATERRITORIAL JURISDICTION (ETJ) OVERVIEW AND TECHNICAL DISCUSSION ON TOWN OF SUMMERFIELD ETJ REQUEST**

Chairman Alston reminded the Board that this discussion was specifically to address technical questions regarding ETJ policy, as a public hearing on the matter would occur during today's regular meeting.

J. Leslie Bell, Planning & Development Director, introduced the topic of municipal ETJ and reviewed statutory provisions.

County Attorney Mark Payne confirmed any ETJ request requires Board approval, as Guilford County government zoning is applied throughout the county.

Bell reviewed the Town of Summerfield's submitted map illustrating its proposed ETJ limits and discussed the 1997 annexation agreement, amended in 1999, between the Town and the City of Greensboro. He noted property owners within the ETJ would not pay Town taxes and are ineligible to vote in Town elections. Bell discussed the options for zoning requirements and confirmed ETJ residents can serve on the Town's Planning Board.

Bell emphasized that the ETJ expansion is not an annexation, and if the request is approved, the proposed two-mile stretch of ETJ property would now fall under Town of Summerfield zoning guidelines versus Guilford County requirements. He stated planning approval and building permits would still be required from the Town and County, but there would be no difference in building code requirements, as those are governed by the State. Bell discussed additional impacts upon property owners who become part of an ETJ and noted the Town Manager for Summerfield and City of Greensboro Planning Director were both present to answer questions.

Commissioner Carly Cooke questioned how an ETJ expansion could impact citizens currently in the building permit process.

Bell stated citizens in the requested ETJ area currently do not need a building permit from the Town of Summerfield, but if the ETJ request is approved, permitting approval would be required from both the Town and Guilford County.

Commissioner Cooke questioned if an ETJ request typically proceeds an annexation.

Bell noted that historically, pursuant to NCGS 160A, an ETJ request would serve as the precursor to annexation; however, under changes to NCGS 160D that became effective July 1, 2021, this type of request does not necessarily impact the ability to annex.

Payne offered an example of neighboring towns building guidelines related to annexation within their jurisdictional principles that will fit their ideas on planning.

Commissioner Cooke invited Town of Summerfield representatives to provide additional information on the details behind their request.

Summerfield Town Manager, Scott Whitaker, stated the town is seeking Board approval of the ETJ request to allow the town more competitive and comparable zoning restrictions near the town borders. He spoke to the potential impact of high intensity growth at the town's borders upon its residents.

The Board discussed guidance for information presented during the work session versus the public hearing.

Commissioner Justin Conrad questioned other specific ETJ's located within Guilford County.

Bell discussed ETJ's located within Jamestown, High Point, Oak Ridge and Gibsonville.

Commissioner Kay Cashion questioned the difference between the Town of Summerfield's ETJ request from a comparable request from Town of Jamestown's, as both have border agreements with the City of Greensboro.

Bell stated both requests would be treated the same and noted there is nothing, statutorily, that prevents one town from annexing into another town's ETJ. He shared this could create issues with property owners, as it would require additional changes to zoning parameters.

Commissioner Cashion questioned the county's responsibility related to the request.

Bell stated the County should always be concerned with land use around the towns, as these could trigger a need for area plan updates. He spoke to the need to rectify the county's vision with the town's vision for certain transition areas.

## **B. SCHOOL BOND FINANCING**

County Manager Michael Halford introduced the item and noted a few work sessions have been scheduled to discuss school capital needs. Halford noted the regular meeting agenda item to introduce the bond order, schedule a public hearing for the December 2, 2021 regular meeting and accept the bond order.

Commissioner James Upchurch questioned if the bond order would be adopted on the same night as the public hearing.

Halford confirmed and stated that upon introduction of the bond order, staff will work with the Local Government Commission (LGC) to submit the bond application and move forward with the process.

Commissioner Conrad questioned the initial feedback received from the LGC.

Halford noted preliminary conversations have been conducted with LGC financial advisors regarding the school general obligation (GO) and 2/3rds bonds. He noted the LGC discussed how the county's decrease in debt will help fund the proposed GO bonds, along with how the county will finance the bond debt. Halford shared the application considers the county's funding plan, along with voter approval of the bond request.

Commissioner Conrad questioned if the LGC provided a specific recommendation.

Derrick Bennett, Finance Director, stated that no specific recommendation had been received.

Commissioner Cashion questioned if the LGC expressed any concern with the County's ability to support this bond amount.

Halford shared that this was not discussed, but the LGC did discuss the upcoming revaluation and the request to include a ¼ cent sales and use tax on the March 2022 ballot. Halford noted state guidelines require counties to maintain an 8% margin between outstanding debt and assessed valuation, and noted the county's margin will be approximately 4%. Halford stated staff and the LGC also discussed the impact of the sales tax referendum and the capacity gained from a rate neutral property tax rate following revaluation, in addition to issuing funds within 7-10 years.

Commissioner Cashion opined the current revenue base would not support the potential debt payment and questioned if a rate neutral approach would fill the gap if the ¼ cent sales tax is not passed by voters.

Halford spoke to the impact of a rate neutral approach during the upcoming, and possibly, following revaluation, and noted a full rate neutral rate could bring in approximately \$56 million in additional revenue.

Chairman Alston shared the bond debt for \$1.7 billion would be approximately \$45 million annually.

Halford stated the total amount of revenue would not be required each year and the county would bank the excess revenue to pay bond debt during debt repayment peaks.

Chairman Alston state rate neutral would be sufficient, but spoke to the need for the ¼ cent sales tax and its potential to generate approximately \$22 million to aid future growth.

Commissioner Cashion questioned if staff anticipated the need for a property tax increase to make up the difference between revenue and expenses.

Halford confirmed a rate neutral approach would provide additional funds to address county needs, but addressing school needs in a single issuance would leave the county with less flexibility to address other county needs. He spoke to the benefits of conducting multiple issuances over two (2) revaluation cycles to provide more funding flexibility.

Commissioner Cashion noted a single issuance would be unrealistic as the school system would be unable to complete all projects within this timeframe.

Commissioner Upchurch questioned the length of time it would take the school system to complete all projects.

Halford stated he could not speak for Guilford County Schools (GCS), but noted they are just wrapping up projects completed with the 2008 bond issuance of \$600 million. He anticipated project management would be handled differently this time.

Commissioner Upchurch requested additional clarification regarding the timeframe for projects under a single issuance.

Halford noted the GCS Board of Education would need to provide this answer, although the broader conversation has surrounded addressing these needs as quickly as possible.

Commissioner Upchurch questioned if the Board would vote to include the ¼ cent sales and use tax on the ballot during this evening's regular meeting.

Halford confirmed.

Commissioner Upchurch questioned how many times this tax has been placed on the ballot and Halford replied it has been included four (4) times.

Commissioner Upchurch questioned how the County would address school needs if the bonds are not passed.

Halford stated school capital needs are a clear county responsibility and spoke to the importance of identifying how we pay for these needs. He stated the least expensive method is general obligation (GO) bonds, but if those are not passed, other financing options could be considered. Halford noted these options could cost an additional \$30 million, based on interest rates.

Commissioner Upchurch questioned how much the County could borrow with a different financing rate.

Halford stated LGC analysts did not discuss this option.

Commissioner Conrad spoke to the importance of clearly stating the need for a property tax increase and sharing that a rate neutral rate during a revaluation year is a tax increase.

Chairman Alston clarified a citizen would only pay more if their business or property value increased and noted we did not capitalize upon these increased values during the prior revaluation. He offered the example of City of Greensboro and shared they added another \$12 million to their revenue base during the last revaluation.

Chairman Alston reminded the Board of the \$2 billion in school capital needs and of the county's obligation to find a way to provide this revenue. He spoke to a recent visit to Ben L. Smith Highschool and building issues observed. Alston reiterated the County's obligation to repair these schools and confirmed GO bonds are the least expensive way to address these needs. He expressed his discontent with the conditions of the schools and his support for school bonds and ¼ cent sales tax as the best option for residents to meet our obligations. Alston noted the Board will vote tonight to schedule the public hearing to adopt the bond order.

Halford clarified the Board will introduce the bond order tonight and schedule the public hearing. He noted once the public hearing is held, the Board will vote on the amount of the bond to be included on the ballot.

Chairman Alston reiterated the ¼ cent sales tax resolution will be considered for Board approval during tonight's regular meeting, but noted the General Assembly still has not approved the language addressing the intent of the sales and use tax.

Commissioner Upchurch questioned the potential to postpone voting on the sales tax resolution until the December 2 regular meeting in anticipation of a decision from the General Assembly.

The Board discussed the sales tax resolution and the potential decision of the General Assembly.

Halford stated the Board's consideration of the resolution will also direct staff to begin educating the public on the sales tax.

Chairman Alston noted the business community is working to raise \$200,000 to promote the school bond and the ¼ cent sales tax.

Commissioner Cooke noted the previous bond did not require a sales and use tax to support the debt, and clarified the Board's intent to pass the sales tax resolution specifically to address school capital needs, even if the intent language is not adopted by the General Assembly.

Halford emphasized this resolution includes a section that separates the proceeds of the ¼ cent sales tax from the general fund to be used exclusively for school facility needs, incorporating this revenue into our financial policies.

Chairman Alston requested staff provide information on the amount of sales and use tax that would be paid from visitors to the county.

Halford noted this research has been conducted in the past and noted an initial review estimated 15-20% of tax revenue generated from visitors, based upon increases in online shopping.

Commissioner Coleman questioned the impact of COVID-19 upon our sales tax.

Halford stated the largest impact was on travel and tourism.

Commissioner Cashion noted House Bill 704, which addresses the ballot language for the sales and use tax, passed in the House and is pending with the Senate. She shared her recent experience with individuals visiting the community to attend events and spending money within Guilford County.

Commissioner Conrad reminded the Board that a similar sales and use tax resolution was passed during the prior bond process to dedicate these funds to support education, with the intent that the Board would issue future bonds. He encouraged everyone to support the ¼ cent sales tax and changes to the ballot language.

Chairman Alston offered Commissioners Perdue and Foster if they had any questions or comments related to the school bond.

Vice Chair J. Carlvena Foster spoke to the importance of educating the public in order to pass the ¼ cent sales and use tax, and the school bonds.

Chairman Alston noted one goal of the educational campaign is to promote the tax as a fraction of one penny.

Halford introduced Assistant County Manager Erris Dunston, responsible for Strong Communities.

Dunston shared she is excited to be here in Guilford County and is looking forward to work with the community and its residents.

### **C. UPDATE ON GUILFORD COUNTY CAPITAL IMPROVEMENT NEEDS AND 2/3<sup>RD</sup> BOND OPPORTUNITIES**

Halford reviewed the guiding principles used when planning for the County's future capital needs. He discussed the County's existing debt and how to build a more sustainable funding model moving forward. Halford stated that county construction needs are divided into three (3) groups:

Small projects to be included in the annual operating budget, such as minor renovations, carpeting or painting;

Medium projects requiring annual cash transfers to the capital fund to include upgrades to facility roofing;

Big projects requiring debt financing, such as new buildings.

Halford noted that, based upon recommendations from the Association of Physical Plant Administrators, the County should allocate approximately \$12 million annually for capital needs. He reviewed funding from prior years and noted that we have fallen well below minimum targets for capital needs.

Halford shared the existing county debt at the end of FY 2021-22 will be approximately \$93.4 million and noted the County has approximately \$96 million in deferred maintenance needs. He spoke to the impacts of this deferred maintenance and renovation and confirmed they are evident in many buildings, resulting in significant maintenance and remediation costs.

Halford discussed the importance of prioritizing county building renovations and construction needs, and discussed the debt repayment model for \$41 million in 2/3rds bonds that will be used to address certain county projects. He spoke to the benefits of developing a pay-as-you-go financial plan that would allow the County to pay cash for certain maintenance and repair needs moving forward.

Halford introduced Eric Hilton, Facilities & Property Management Director. Hilton reviewed the proposed 2/3rds bond projects. He discussed the funding gap of \$8.9 million that is required for demolition of the Law Enforcement Complex and Administrative Offices, in order to move forward with the new Law Enforcement Center (LEC).

Dwight Godwin, Interim Parks Director, reviewed the parks projects included in the proposal and spoke to dam and plumbing issues at Hagan Stone Park need to be addressed. He discussed our interlocal agreement with City of Greensboro to assist in the development of a master plan and new soccer fields for Bryan Park North. Godwin noted this master plan will require approval from the Board and the Greensboro City Council, and spoke to the importance of a having a comprehensive master plan for Guilford County Parks.

Commissioner Carolyn Q. Coleman questioned the extent of the dam damage, the areas impacted and how long it would take to repair the dam.

Godwin shared the dam issues are located near the marina but cause water levels to drop significantly. He discussed a study of the dam and its impact upon water levels will be completed this summer.

Commissioner Cooke questioned if the comprehensive master plan is included as a proposed project for the 2/3rds bond.

Godwin stated the master plan is a separate request for the future, but would not be funded by 2/3rds bonds.

Commissioner Cashion questioned the status of the Edgeworth Building.

Hilton noted building repairs would cost a minimum of \$800,000, just to repair the HVAC system. He noted staff have observed a 20% cost escalation since last year, combined with an 8-12 month delivery backlog in construction materials.

Halford stated staff do not recommend using bond financing for facilities that will not be used in the foreseeable future, and noted there will be recommendations for probation & parole.

Halford discussed existing county debt, dedicated revenues and how to build pay-go capacity to address county facility needs. He noted that Board approval is required to move forward with the proposed projects and authorize staff to move forward next steps to use \$41 million in 2/3rds bonds to pay for these projects.

Commissioner Conrad discussed some of the County's more impactful projects such as the Family Justice Center – High Point expansion, the Behavioral Health Center and the new Animal Shelter, and questioned if this funding plan would require the County to place projects of this type on hold for four (4) or more years.

Halford spoke to the flexibility to identify other funding options, to avoid delaying these types of projects.

Chairman Alston requested clarification on the staff's request regarding these projects.

Commissioner Conrad noted he does not want the County to delay current projects that have been planned for years.

Commissioner Cooke clarified that the proposed bond projects will provide final funding for certain larger projects, like the Sheriff's office.

Halford spoke to the importance of addressing existing issues before adding new assets.

Commissioner Cashion questioned if this list is in priority order.

Halford explained that the list incorporates the priority projects, but they are not listed in priority order.

Chairman Alston questioned the amount initially allocated for the LEC.

Halford noted the County initially allocated \$15 million.

Chairman Alston spoke to issues with the architect and questioned if staff now have an accurate total for the project.

Halford and Hilton discussed prior cost and design decisions related to the LEC, and the Board discussed next steps.

**Motion was made by Commissioner Carly Cooke, and seconded by Commissioner Carolyn Q. Coleman, to approve the proposed county projects, as presented, and authorize staff to move forward with next steps to use \$41 million in two-thirds bonds to pay for the most pressing county projects, and direct staff to prepare for a Spring 2022 bond sale.**

Commissioner Coleman requested staff provide a more specific timeline related to the LEC project.

The Board discussed LEC proposed designs and requested staff provide updated renderings for review.

Commissioner Alan Perdue questioned if the proposed projects could qualify for American Recovery Plan Act (ARPA) infrastructure funding, and if the Board approved the use of 2/3rds bonds, would these projects still qualify for ARPA funding.

Halford stated these projects would not be ARPA eligible, as they are not pandemic-related but result from deferred maintenance. He noted there are additional projects on the capital plan related to Emergency Services and other things that might be eligible under ARPA.

Payne noted there is time to research eligibility.

**Commissioner Conrad offered a friendly amendment to the motion on the floor to research potential eligibility for ARPA funding for the proposed projects.**

Chairman Alston questioned if ARPA funding could be used for these projects to free up funding for other capital needs on the plan.

Halford shared it was his understanding that many of the projects would not qualify under ARPA, as they did not result from the pandemic. He noted certain Public Health projects could possibly qualify if they show the County is expanding services to support people in a qualified census tract.

**Commissioner Cooke accepted the friendly amendment to the motion on the floor.**

**Motion was made by Commissioner Carly Cooke, and seconded by Commissioner Carolyn Q. Coleman, to approve the proposed county projects, as presented, and authorize staff to move forward with next steps to use \$41 million in two-thirds bonds to pay for the most pressing county projects, research potential eligibility for American Rescue Plan Act (ARPA) funding for the proposed projects and direct staff to prepare for a Spring 2022 bond sale.**

**VOTE: Motion carried 9 - 0**

**AYES: Melvin "Skip" Alston, J. Carlvena Foster, Justin Conrad, Carly Cooke, Mary Beth Murphy, Carolyn Q. Coleman, Kay Cashion, James Upchurch, Alan Perdue**

**NOES: None**

### **III. OTHER BUSINESS**

There was no other business discussed.

### **IV. ADJOURN**

There being no further business the meeting was adjourned by unanimous consent at 5:09PM.

---

Melvin "Skip" Alston  
Chairman

---

Robin Keller  
Clerk to Board