

**MINUTES OF BOARD OF COUNTY COMMISSIONERS
OF GUILFORD COUNTY
Commissioners' Annual Retreat**

Greensboro, North Carolina
February 4 - 5, 2016
Day One – February 4, 2016

The Board of County Commissioners met in a duly noticed special meeting on February 4, 2016 at 8:30AM for the Board's Annual Retreat, held at the ACC Hall of Champions Board Room, 1921 West Lee Street, Greensboro NC.

PRESENT: Chairman Jeff Phillips, presiding; Vice Chairman Alan Branson; Commissioners Ray Trapp, Carolyn Q. Coleman (in at 9:20AM), Kay Cashion, Justin Conrad, Hank Henning, J. Carlvena Foster and Alan Perdue.

ABSENT: None.

ALSO PRESENT: Marty Lawing, County Manager; Mark Payne, County Attorney; Clarence Grier, Deputy County Manager; Robin Keller, Clerk to Board; Michael Halford, Budget Director; Reid Baker, Finance Director; Robert McNiece, Facilities/Property Management/Parks Director; Jim Albright, Emergency Services Director; Jeff Thigpen, Register of Deeds; Ben Chavis, Tax Director; John Dean, Human Resources Director; Merle Green, DHHS - Public Health Division Director; Heather Skeens, DHHS – Social Services Division Director; Yvonne Moebs, Risk Management Director; Donna Riner, Legal Services Administrator; Ariane Webb, Deputy Clerk to the Board; Cristy Summers, Executive Administrative Assistant; and members of the community and media.

I. WELCOME AND CALL TO ORDER

Chairman Phillips welcomed those present and called the meeting to order at 8:36AM.

II. OPENING REMARKS

County Manager Marty Lawing thanked everyone for attending. He spoke to the new economic development alliance, and discussed challenges related to recruitment and retention within the County. Lawing provided a general overview of retreat topics and noted staff will seek clear direction from the Board.

III. PRESENTATIONS AND UPDATES

1. GUILFORD BY THE NUMBERS

Lawing reviewed County growth over the past fifty (50) years, and discussed future growth projections. He noted the trend of citizens leaving rural communities in favor of urban areas, and observed that growth within the Triad is more aligned with state-wide averages than Wake and Mecklenburg counties, whose growth exceeds state averages.

Lawing reviewed trends in population, including age, demographics and education levels. He commented on the diversity within the community, and noted a large segment of the population was between the ages of 18-44.

Lawing noted the sales tax receipts have been lower than anticipated, and discussed the state's redistribution plan, which will begin March 2016. He noted that seventy-nine (79) counties will receive additional revenue, and stated the redistribution will not help or hinder Guilford County.

Vice Chairman Branson expressed concerns with legislative decisions to take revenue from urban counties to support rural counties that are experiencing steady declines in their population.

Lawing opined on legislative decisions to encourage population growth in smaller, rural counties through improved schools and greater employment opportunities funded by redistributed sales tax revenues.

Lawing reviewed state statistical analyses on salaries, and noted Guilford County ranks as average in comparison models. He noted that housing prices have not yet recovered from the recession, and the job growth rate is currently 3.4%.

Chairman Phillips questioned the increased percentage of Sheriff's department employees compared to other counties.

Lawing stated the increased percentage could be attributed to Guilford being the only county in the state with two (2) jails and two (2) courthouses.

Chairman Phillips questioned DHHS-Division of Social Services (DSS) staffing issues based upon the percentage of total staff.

Lawing stated the County has a higher poverty rate, and a larger percentage of the population that is Medicaid-eligible, and noted these factors should be considered in staffing the department.

Lawing reviewed comparisons of Guilford to other counties in several categories, and noted the goal is to move Guilford County into the top 10 when comparing its current overall County expenses per ADM to those in counties throughout the state.

Chairman Phillips questioned the indicators used to identify Guilford County's place in the comparisons.

Lawing confirmed the figures listed were a few years old.

Chairman Phillips questioned the impact of Guilford County's youth population on the comparisons.

2. 2015 – 2016 FINANCIAL REPORT / UPDATE

Michael Halford, Budget Director, introduced the updated and reviewed the figures. He requested Commissioner feedback on the format of the monthly budget report, and noted the growth in tax collections.

Halford discussed the decrease in intergovernmental revenues, but noted the anticipated savings from consolidation of Human Services. He discussed debt repayment and noted the County has received better than expected reports on interest rates.

Halford spoke to the importance of the fund balance and reviewed net cash flow trends.

Commissioner Conrad questioned if there were any backlogs in licensing and permits, and if this had resulted in decreased revenues.

Commissioner Coleman entered the meeting at 9:20AM.

Lawing stated there were no backlogs in processing permits and licenses, and noted that projects were being submitted.

Chairman Phillips stated he liked the format of the monthly budgeting report. He requested the report placed online monthly, and submitted quarterly to the Board.

3. PRELIMINARY GENERAL FUND REVENUE PROJECTIONS / TRENDS

Halford reviewed property tax collection rates and noted this year's collections were boosted by vehicle tax collection rates. He reviewed property tax rates and bills comparisons between Guilford and counties/municipalities throughout the state.

Commissioner Coleman questioned the County's comparison with tax rates in Mecklenburg and other large counties.

Halford stated he would expand future comparisons to include smaller counties.

Chairman Phillips questioned the last tax valuation for Mecklenburg and Wake counties.

Ben Chavis, Tax Director, stated Wake County completed a revaluation last year, and noted Mecklenburg completed its last revaluation in 2011.

Commissioner Trapp noted property tax comparisons could fluctuate by 10-15%.

Commissioner Cashion noted comparisons of home values, and spoke to the importance of creating an appeal for property, improved quality of life and human services. She expressed concerns with Guilford County losing the talented youth produced by the local colleges in the area, and questioned the County's ability to market itself as a desirable community.

Halford reviewed major revenue sources and noted that a monthly review of taxable sales indicates a decrease. He stated building permits fees were slightly less than anticipated.

Chairman Phillips questioned when taxable sales receipts were received by the County.

Halford noted there is a 3 month delay in state reporting. He continued to discuss decreases in building permit revenue, and noted overall variance in County revenue is expected to decrease to \$3 million. Halford stated expenses are less than budgeted, noting the largest variance is debt service.

Chairman Phillips questioned incentives budgeting.

Halford stated the County utilized the estimated amount if incentives in budgeting, and noted this amount is dependent upon the terms of the contract.

Commissioner Cashion questioned if analyzing anticipated incentives is comparable to estimating tax values.

Halford confirmed and stated contract terms must be fulfilled. He discussed potential increases in motor vehicle tax revenues for the upcoming fiscal year, and noted early estimates of approximately \$12 million received in additional revenues.

Halford reviewed future issues and spoke to the significant amount of fund balance used to maintain the County budget, County infrastructure and Human Services needs.

4. REVIEW OF GUILFORD COUNTY SCHOOLS AND GTCC BOND PROJECT STATUS

Reid Baker, Finance Director, reviewed Guilford Technical Community College (GTCC) and Guilford County Schools (GCS) bond budgeting. He noted part of the strategy of delaying issuance of additional bonds and using a line of credit allows us to use those funds at a lower rate than issuance. Baker stated that the bonds show in the negative as a result, and noted if the County can extend issuance of bonds beyond June 30, 2016, this would improve the financial position.

Baker reviewed the details of the GTCC project expenditures and noted the remaining balance on the projects is \$29.9 million. He confirmed this is on target with the unissued bonds for the schools and noted GTCC projects are moving slowly.

Baker reviewed GCS projects and stated they have been able to close out a significant number of the projects. He noted that \$9.6 million has been expended this year, and confirmed that the County anticipates not issuing any new bonds until July 1, if spending continues at its current rate. Baker commented on the school's most recent cash flow patterns and noted the current trend spending less. He noted that major changes in the market could cause interest rates to rise, resulting in the decision to issue bond debt earlier than anticipated.

Baker confirmed there is still significant funding available from the Airport School project, and there have been no requests to reallocate the full amount of funds to a viable project. He noted this allows flexibility in issuing additional bond debt for new projects.

Commissioner Trapp questioned if the \$22 million would be reallocated to the nine (9) priority projects.

Baker stated a portion of the funding had been reallocated for these projects.

Commissioner Coleman questioned the delay in the GTCC projects.

Baker stated GTCC has not expended any funds in 2016.

Commissioner Coleman stated GCS is consistently questioned regarding their expenses when they present before the Board; however, there has been little discussion regarding GTCC projects.

Baker noted there have been few changes in their projects since the initial requests.

Commissioner Coleman questioned if these figures reflect GTCC requesting funding without plans to complete projects. She requested the County consistently require GTCC and GCS to complete additional assessments of building use, and the entity's ability to complete or start projects prior to funding issuance.

Baker noted that GTCC is projected to close these projects within the next two (2) years, but actual cash flow gives the appearance they are moving slowly in complete the projects.

Chairman Phillips GCS Superintendent Maurice "Mo" Green and GTCC President Randy Parker would be available to answer questions.

5. BOND SALE OPTIONS/DEBT SERVICE PROJECTIONS

Chairman Phillips requested review of the general obligation (GO) bond debt issues in option 4d, noting it comes closes to evening out debt service levels.

Baker cautioned the Board that it is too early in the fiscal year to determine if the issuance can be reduced and stated it is a little early to decide on any particular pattern for the upcoming budget.

Chairman Phillips requested Baker also specifically address option 4e.

Baker reviewed option 4d and noted it would allow two (2) issuance of bonds, resulting in a fairly level debt pattern. He recommended options 4d and 4e as the best choices for maintaining an even debt level over a longer timeframe. Baker noted this strategy works with usage of a line of credit, and continued utilization of the line of credit helps manage the debt repayment peaks. He noted it would be ideal to budget for one of these issuance plans, and spoke to the benefits of re-funding the line of credit.

Baker stated that the County currently has outstanding debt of \$749 million, and has paid approximately \$56.9 million towards the total debt.

Commissioner Foster left the meeting at 10:15AM.

Baker reviewed various options for issuing the remaining GO bond debt and emphasized the models that would allow for a more stable repayment pattern.

Chairman Phillips questioned if staff anticipated balance reduction between now and June 30 of next year.

Baker stated this is dependent upon the cash flow of the schools, and noted he would be better prepared with an in June 2016, based upon spending patterns.

The Board recessed the meeting at 10:25AM.

Chairman Phillips called the meeting to order at 10:45AM.

Commissioner Foster returned to the meeting at 10:45AM.

6. GUILFORD TECHNICAL COMMUNITY COLLEGE (GTCC)

Dr. Randy Parker, GTCC President, shared they would be request a 2% increase in their operational budget to allow for merit increases for state employees. He stated their board will be reviewing budget requests in the next few months and noted they are moving closer to completion of the Union Square Campus and its associated annual lease rates of \$150,000.

Parker reviewed the project status for the Center for Advanced Manufacturing and stated they anticipate an additional \$700,000 in operational costs for the new facility. He reviewed a summary of the new center and stated they are in the final design phases. Parker anticipated beginning renovations in the next six (6) months and discussed the connector roads plans for future growth at the Jamestown Campus.

Vice Chairman Branson questioned the costs of the underpass below Gate City Boulevard.

Parker stated the cost will be approximately \$6.2 million and will be funded by fees collected from GTCC students.

Commissioner Coleman questioned the delay in project construction.

Parker discussed the need to re-locate the facility from the Cameron Campus as a cost effective strategy in light of recent budget shortfalls. He noted that re-design of the new facility resulted in project delays.

Commissioner Coleman questioned the student population in comparison to the number of campus building, and if there were decreases in enrollment.

Parker confirmed there were decreases in enrollment, but noted those figures fluctuate and GTCC adjusts programming to fit the needs of the student population. He spoke to the increasing demand for welding and manufacturing programs, which currently do not have the capacity intake all interested students. Parker noted adjustment in these high demand programs aids in the fluctuation of the student population.

Commissioner Coleman opined that the campus should focus on growing programs during periods of decline in enrollment versus taking on additional construction projects.

Parker emphasized GTCC focuses on projected growth enrollment, and re-evaluated demand and assess enrollment each semester. He stated they are currently conducting space utilization assessments to shift programs appropriately.

Commissioner Trapp questioned long-term goals and if there is a trend to move away from associate's programs towards four-year degree programs.

Parker stated the school is statutorily mandated to remain a work force development driven program and noted their challenge is predicting workforce needs. He spoke to growth observed in college transfer programs and discussed the rising trend in students beginning degree programs at community colleges, as a result of legislation that restricts financial aid and funding for traditional four-year schools.

Commissioner Trapp shared his concerns in placing emphasis and efforts into manufacturing, with the increasing trend in robotics.

Parker discussed the challenges in providing students with higher-level technology and math skills in preparation for an advanced work environment. He reviewed GTCC's efforts to support work force development. Parker shared GTCC currently provides 600,000 hours of instruction in non-credit programs, and currently collaborate with thirty-one (31) Guilford County companies to provide training for 2,797 jobs. He stated GTCC offers the largest number of corporate trainings within the state and noted approximately 70% of these graduates remain in Guilford County.

Commissioner Coleman questioned if these jobs are directed to students with the appropriate skill sets, and if there were remediation efforts for students who were unsuccessful during the initial round of training.

Parker stated there is a testing component prior to entry into any program, to ensure they have the skill sets to be successful.

Commissioner Coleman requested additional data on the percentage of students in training programs that are minorities.

Parker noted these are corporate trainings for employees of a private company, so the data would belong to the companies and cautioned he would have to receive permission from the companies in order to release the data. He stated that he would provide follow-up once he discovered what, if any, data he could share with the Board.

Commissioner Cashion requested clarification on the offered programs.

Parkers stated that the programs are specific to the needs of the corporation and shared examples of specific trainings. He stated some companies choose to hire the employees first and send them to the GTCC training program, while others choose to interview students who have successfully completed training, prior to offering employment.

Commissioner Cashion questioned if there was a way to determine the number of filled positions that would be housed within companies located in Guilford County.

Parker stated that the positions were required in order to remain eligible to incorporate training programs within GTCC, and stated they will continue to train students until all positions have been filled.

Chairman Phillips expressed appreciation for the high level of workforce development and stated the Board recognizes the need for excess facility capacity, particularly to accommodate downturns in the economy. He urged caution in future capital requests, given the decrease in enrollment, and to allow for recovery within the economy.

Commissioner Henning questioned the reliability of enrollment figures when considering capital expenses. He expressed his support for continued development of the existing growth plan, and encouraged ongoing program assessments to ensure better utilization of existing facilities.

Parker stated there are no new capital projects under consideration.

Commissioner Foster left the meeting at 11:28AM.

Parker updated the Board on the status of the Medlin Campus Center and noted there is no new footprint for the facility. He discussed the Connect NC bond, which would help fund this facility, and encouraged the Board to support the proposed bond.

Commissioner Foster returned to the meeting at 11:33AM.

7. ANIMAL SHELTER UPDATE

Deputy Manager Clarence Grier provided an update on the status of the Animal Shelter since the County assumed operations in August 2015. Grier reviewed some of the recent accomplishments, including hiring of the new Shelter Director, website development, and increased volunteer participation.

Deborah Alston, Internal Audit Director, reported the findings from the Shelter's recent audit. She shared the scope of the unannounced audit and reported the Shelter showed high levels of cleanliness, security, cash management, control over drugs located on its premises. She commended Logan Rustan, Animal Shelter Director, on the current state of Shelter operations.

Commissioner Coleman questioned the timeframe covered by the audit.

Alston stated the audit reviewed covered the County assuming of ownership in August 2015, to present.

Commissioner Coleman questioned if they could compare the results of this audit to those performed prior to County ownership.

Alston stated no audits were performed by the County while the Shelter operated under United Animal Coalition (UAC). She confirmed that an external auditing firm had completed previous audits.

Commissioner Coleman questioned if the County had access to the prior audits.

Grier noted the previous audits were conducted on the Shelter's finances only, and confirmed no internal audits were completed. He noted the Internal Audit process is new and, moving forward, quarterly and annual reviews will be conducted.

Grier discussed the efficiency of current shelter operations and introduced a sample of the intake, euthanization, transfers and adoption data that is now being reported.

Grier reviewed the estimated budget and discussed the large variance in the budget resulting from efficient maintenance of the animal population. He stated the Shelter goal is to have 300 to 350 animals in care at any given time. Grier reported decreased revenues resulting from the loss of the SPOT vehicle.

Grier recommended the development of a nine (9) member advisory board composed of a Commissioner, veterinarians, volunteers, and representatives from rescue organizations throughout the community.

Grier spoke to the commitment of Shelter staff and noted the biggest challenge is the current state of the facilities.

Logan Rustan, Animal Shelter Director, reviewed policy and management changes implemented in the five (5) months since County's resumption of Shelter management. He reported that many rescue agencies, which were previously excluded from working with the Shelter, are now actively involved in adoptions and care. He noted approximately 1800 animals have been adopted since August, and noted there is a rising trend in animal intake. He noted 128 animals have been euthanized due to medical or temperament issues between January 18, 2016 and February 3, 2016.

Commissioner Henning questioned the number of animals at the shelter from Guilford County.

Rustan reported the Shelter has received animals from other counties and states, but approximately 342 animals were originally from Guilford. He noted his animal control officers can bring in over 100 animals per day.

Commissioner Conrad questioned if there was comparable data on Shelter euthanasia rates under prior administration.

Grier stated staff do not have confidence in the figures in the numbers collected prior to the County assuming management.

Rustan stated that an audit performed after assumption identified over 2,000 unaccounted animals documented by previous administration.

Commissioner Trapp questioned the number of "aggressive breeds" euthanized under the current policy.

Rustan projected 600 to 700 animals would be euthanized under current policy, but this figure does not include those euthanized due to temperament or medical needs. He stated the policy is implemented after they have exhausted all foster and adoption options with rescue agencies and other local organizations. Rustan noted that many rescue organizations are currently at capacity.

Commissioner Coleman questioned if the County works to develop new rescue agencies.

Rustan noted there are a large number of rescue organizations that work with the County, however many of them only accept specific breeds. He shared examples of staff creativity when promoting adoption efforts and reviewed current adoption rates and Shelter fees. Rustan suggested increasing rates for kittens and puppies, and adjusting the existing fee schedules. He reviewed recommended changes to open fostering, feral cat and adoption process policies.

Chairman Philips questioned if the proposals for modifying fees and policies required Board approval during the retreat.

Rustan stated the presentation is only part of preliminary discussions regarding these changes.

Commissioner Conrad commended Rustan and Shelter staff on their creative adoption efforts and communication with rescue groups. He encouraged staff to continue sharing their story through social media and other media outlets. Conrad requested the Board consider the proposed fee changes and recognize staff's outreach with rescue groups.

Chairman Phillips echoed Commissioner Conrad's comments, and expressed his appreciation for Rustan and the Shelter Staff. He thanked them for their impressive work.

Commissioner Cashion commended Rustan on his professionalism and passion for animals.

Chairman Philips encouraged the Board to visit the shelter to observe its progress.

Robert McNiece, Facilities/Property Management/Parks Director, reviewed the existing shelter site and shared photographs of the facility. He noted the primary challenge is the age of existing buildings. McNiece shared the bulk of the Shelter is comprised of outdoor structures; making it difficult to keep animals warm in the winter and cool in the summer.

McNiece stated approximately 1,200 animals per month are received at the shelter. He reported Guilford County has one of the largest shelter's in the state, and noted there is a downward trend in animal intake, statewide.

McNiece discussed shelter design and noted a new facility would be influenced by the policies of the Shelter, including length of stay and the number total number of animals received via intake.

Chairman Philips questioned the average length of stay.

McNiece stated that the industry trend is ten (10) days.

Grier reported Guilford County's average length of stay is thirty-nine (39) days.

McNiece presented two (2) location options. He reminded the Board that Animal Control services are not provided for High Point, as they offer services to city residents. McNiece noted the bulk of citizens delivering animals for intake reside in the central Guilford County.

Grier reviewed the next steps and noted staff would request the Board adopt policies to reduce animal intake and increase adoptions. He stated staff would continue to work collaboratively with local organizations and coordinate activities with the Animal Control team to increase efficiencies and reduce intake. Grier shared staff would like to continue utilizing social media to share Shelter information with the community, and noted they will continue to collect data on facility needs.

Commissioner Coleman questioned if McNiece had any recommendations for the Shelter facility.

McNiece stated his recommendation would be dependent upon the policies implemented.

Lawing stated staff are requesting direction from the Board as to whether the new facility should be built on the existing Shelter site, or if they should seek an alternate site.

Chairman Phillips stated the current site could create challenges, and discussed the need to build in phases, to ensure animals would not be displaced.

McNiece confirmed the phase requirement to build on the existing structure, and noted the size of the lot would pose an additional challenge if the Board adopted a policy to intake 400 or more animals.

Chairman Phillips requested recommendations from Rustan.

Rustan stated the current site is well known by Guilford County citizens, but noted difficulty in maintaining services while under construction.

Commissioner Coleman stated that she was under impression the existing site would not work with direction of the new Shelter.

Vice Chairman Branson questioned the sites on the presented location map and noted one of the potential locations is the current Guilford County Cooperative Extension center.

Rustan stated that the Cooperative Extension center site would be ideal for Animal Control services.

Chairman Phillips requested staff present this location as a potential option for Board consideration.

Commissioner Coleman questioned if this consideration would affect an offer submitted to develop a grocery store in this area.

McNiece stated the offer submitted included the entire ten (10) acres of property.

Commissioner Henning noted there is a large population in the western portion of the County, and this site is not a central location.

McNiece stated Rustan researching options for mobile adoption locations.

Commissioner Perdue requested a response/demand matrix with a geographic display of the calls received for animal control, intake and adoptions. He noted additional modeling would be required to meet citizen demands, and spoke to the challenges of the location of the current Shelter.

Rustan confirmed he has requested this data from the Geographic Information Services (GIS) department.

Commissioner Perdue requested the average travel time from call to pick-up, and questioned if plotting this data could assist in improving these times.

Grier stated draft policies would be presented to the Board during the March 3, 2016 regular meeting.

Commissioner Conrad confirmed the County had financial agreements with municipalities served by our Animal Control department.

Chairman Phillips requested additional data regarding three (3) other potential Shelter locations, including the Guilford County Cooperative Extension center site, for Board consideration.

Commissioner Trapp suggested initially considering County-owned properties.

Grier questioned if there was general consensus of the Board to move forward with the draft plan.

Chairman Phillips called for a recess of the meeting at 12:45PM.

Chairman Phillips reconvened the meeting at 1:30PM.

8. REVIEW OF PRELIMINARY CAPITAL IMPROVEMENT PLAN

Lawing introduced the item and noted that all projects identified are necessities. He stated the County's current challenge is inadequate construction funding.

Halford reviewed the Animal Shelter project and noted the estimated cost is \$7.5 million.

Lawing discussed the issues related to financing the Shelter, including the possibility of fundraising for private donations, which could potentially delay the project.

Halford reviewed the Hagan-Stone Park project and noted staff prioritized these plans based upon safety concerns.

Commissioner Coleman questioned the timeframe for completion.

Halford reviewed the need to complete the project in phases in order to address issues related to safety.

Commissioner Conrad commented on the decrease in Parks & Recreation revenue, and questioned if this decrease was a result of the current state of facilities.

McNiece stated facilities under renovation are not being rented, which would result in decreased revenue.

Commissioner Cashion questioned if the current condition of the facility compromises its ability to rent for high dollar events.

McNiece stated staff are open to operating within phases of remodeling and repair.

Halford reviewed Emergency Services CIP needs.

Lawing reviewed previous discussions targeted towards retro-fitting an existing facility to meet the requirements for the Emergency Services Logistics Facility, but spoke to the challenges of this option. He stated staff recommend new construction.

Commissioner Coleman questioned staff if had looked for land to eliminate increased construction costs. She encouraged staff commit to securing land, as this project this been ongoing for several years.

Jim Albright, Emergency Services Director, stated they have completed a project plan, and must now define the scope of the project. He noted square footage would be dependent upon the decision to combine the maintenance facility with the logistics center, and stated this type of facility would require twelve (12) acres.

Chairman Phillips discussed the initial proposals of two (2) separate sites and the combination of the two (2) sites. He opined on GTCC's Center for Advanced Manufacturing as a possible co-location site for the facility.

Albright stated there is a desperate and immediate need to develop the facility within a modern, safer location to improve shop operations and maintenance. He expressed concerns with the GTCC property and its potential impact upon efficiencies when bringing units to the facility.

Commissioner Coleman questioned the potential issues with ambulance access, in light of traffic surrounding the GTCC campus.

Albright stated the facility would be the hub of Guilford County Emergency Services operation. He noted that they currently have staff based upon demand and millions of dollars in assets stored in the elements when they should be housed in a garage. Albright spoke to concerns regarding moving to a location outside of the city and potential compromises to efficiency, but noted staff are open to phasing and co-locations.

Commissioner Perdue commented on the importance of moving maintenance, and cautioned the Board against using short-term solutions to solve long-term issues.

Commissioner Coleman expressed her support for initiating conversations with GTCC.

Commissioner Conrad requested recommendations for proposed sites.

Albright stated there are areas open for development in southern Greensboro, but noted they are willing to consider any properties.

Halford noted costs would increase with the addition of the Emergency Operations Center.

Halford reviewed the EMS Base Shared location off Burlington and Flemingfield Roads.

Vice Chairman Branson questioned the offset on the demands of Station 7.

Albright stated this base would be considered post and co-locating with the Fire Department results in more trucks available, and quicker response times to citizens.

Halford addressed the ongoing HVAC project in the High Point Courthouse and Jail and noted the Greensboro Courthouse HVAC will require funding through this fiscal year. He stated there is a need to begin renovations on the Old County Courthouse, and noted evaluations are underway.

Chairman Phillips questioned the benefits of a phasing approach for larger projects.

McNiece discussed structural needs in two (2) County parking decks and reported they are in the process of shoring up these structures. He stated they have worked with structural engineers to complete testing and evaluate the condition of the decks, and noted these were unanticipated repairs that have become priorities.

Commissioner Cashion clarified that staff are identifying the High Point parking deck as critical.

McNiece confirmed and reiterated they will complete the shoring project and evaluate options for renovation.

McNiece reviewed Law Enforcement capital needs.

Chairman Phillips questioned the total number of staff in Law Enforcement buildings.

Sheriff BJ Barnes stated approximately eighty (80) employees are housed in both buildings with sixty-two (62) employees in the Jail.

Chairman Phillips questioned the amount of square footage in the Old County Jail.

Sheriff Barnes stated they are requesting replacement of equipment rooms, armory, training rooms, and classrooms, in addition to creating office and public spaces.

Commissioner Coleman requested clarification regarding the request and questioned if this included a recommendation to demolish the Otto Zenke building and the Old Jail in order to build a new facility in existing location.

McNiece confirmed her clarification.

Commissioner Coleman reminded the Board they recently sold County parking spots at the Bellemeade Center facility and are now being asked to provide funds to replace these spaces.

McNiece confirmed the County lost 170 parking spaces as a result of the sale of the Bellemeade parking lot.

Chairman Phillips opined that the Bellemeade sale was an economic development decision.

Commissioner Coleman cautioned the Board to consider long-range planning for development of the property.

Vice Chairman Branson questioned the status of a potential parking deck partnership with the City of Greensboro.

Lawing stated that the City has not announced their plans in moving forward with a parking deck, and noted they originally expressed interest in the agreement but were now considering alternate options.

Chairman Phillips questioned the amount of necessary repairs needed to renovate the Old Jail, and the amount of annual maintenance required should the County choose to retain the building.

McNiece stated the issues in the Old Jail are not as critical the safety issues in the Otto Zenke facility. He noted the foundation was an issue, and the cost of replacing the HVAC system in the Old Jail would rise over \$1 million.

Chairman Phillips questioned if available space in the Old County Courthouse would meet the Sheriff's needs.

Sheriff Barnes expressed his concerns with limited parking and public access, which could become inconvenient to citizens.

Chairman Phillips questioned if the Old Courthouse could serve as transitional space until new construction was completed.

Sheriff Barnes discussed the potential challenges of the Old Courthouse as a transitional space. He offered an alternative option of dismantling the Old Jail to the floors currently used. Barnes cautioned the Board that once the decision is made to rescind jail structure, status and certification, it would take extensive renovations for the facility to meet current standards.

Commissioner Coleman questioned the capacity of the new Jail facility.

Sheriff Barnes stated the capacity is 1,032 and they currently house approximately 630 inmates.

Commissioner Coleman questioned the costs associated with demolishing portions of the Old Jail.

McNiece discussed the option of using the upper floors as secured storage for Register of Deeds and Elections. He noted the bottom two floors are primarily used as office space.

Sheriff Barnes explained the structure of the jail and noted the levels are constructed to support the floor above. He discussed the septic upkeep and methane gas smell in the building, resulting from lack of usage.

McNiece requested direction from the Board regarding the options presented. He reiterated Law Enforcement is divided between the two facilities that are both in poor condition.

Commissioner Cashion questioned the costs association with renovating the Old Jail.

McNiece stated the cost is approximately \$4 million.

Commissioner Cashion stated her preference for renovation the existing structure versus building a new facility.

The Board requested direction from staff.

Lawing noted the most recommended option is to demolish the Old Jail and build a new facility.

Commissioner Henning spoke in support of demolishing the Old Jail facility.

Commissioner Conrad echoed Commissioner Henning's comments and questioned if the County had received any interest in the Otto Zenke site.

Lawing noted there had been no interest in the site.

Commissioner Trapp questioned the number of counties with three (3) jail facilities.

Sheriff Barnes stated there were several smaller counties with multiple facilities. He noted Guilford County has two (2) judicial systems, which creates a duplication of many services. Barnes stated his primary concern is maintaining public access to services in the Sheriff's office and noted that the Otto Zenke building is not a historical site.

Commissioner Trapp spoke in support of demolishing the Old Jail.

Motion made by Commissioner Carolyn Q. Coleman to demolish the Otto Zenke Building and the Old Jail, utilize offices within the Old County Courthouse as temporary administrative space for Law Enforcement staff, and build a new jail administration building.

Barnes requested staff work with the County Manager to identify optimal space for his staff during construction.

Commissioner Coleman expressed her support of his request.

Commissioner Cashion stated could not support the motion, as structure of the Old Jail is strong and could be converted to meet staff needs.

Commissioner Conrad expressed concerns there were no plans to support staff and public service needs if the building were demolished.

Lawing stated the property will always be encumbered, as it houses the tunnel to transfer inmates to the Courthouse. He recommended preserving the tunnel and creating a parking lot on the Otto Zenke site.

Chairman Phillips stated there is a majority sentiment to move forward, but expressed his concerns with the order of proceeding. He requested staff research options of a public/private partnership to develop a parking deck, and requested more specific figures related to building a new Jail facility.

Sheriff Barnes recommended renovating the Old Jail and creating a parking lot on the Otto Zenke property. He discussed the cost efficiencies associated with maintaining the facility and existing tunnel.

Chairman Phillips spoke to the need to make a timely decision.

Sheriff Barnes suggested staff compare the costs of renovation to new construction.

Commissioner Perdue expressed his concern with compromising public service delivery without identifying a funding source for the project. He requested staff provide information regarding maintenance of a renovated facility versus that of a new structure. Perdue stated he could not support the motion without additional information.

Commissioner Coleman urged the Board to make a decision and move forward. She reminded the Board this has been an ongoing discussion for many years, and noted the potential need for a work session to continue discussion. She reiterated a decision must be made regarding the property.

Commissioner Coleman agreed to withdraw her motion.

There was general consensus of the Board to hold a work session to consider two (2) options: 1) demolish and rebuild or, 2) to renovate.

Chairman Phillips requested clarification regarding the costs of each option.

McNiece stated the cost to renovate is approximately \$5.5 million while the cost to demolish and rebuild is approximately \$8 million.

Vice Chairman Branson questioned the plumbing design in the Old Jail.

Sheriff Barnes stated the plumbing is housed within each catwalk that surrounds the cells, and noted his primary concern with renovation is asbestos.

Chairman Phillips requested a summary of the top priority projects.

Halford summarized the funding the CIP needs and stated the Board allocated \$1.5 million for these projects. He estimated revenue for this fiscal year would be \$8.8 million and noted additional funding would be required to initiate parking deck projects. Halford stated they currently have \$5.9 million remaining to address the allocated projects, resulting in a deficit of \$11.6 million for next year. He noted these funds would start the initial phase of some projects and stated additional financing options may be required next fiscal year. Halford spoke to the need to discuss and prioritize CIP needs in order to address projects of imminent need. He questioned if staff priorities mirrored those of the Board.

Commissioner Cashion questioned the \$12 million figure.

Halford stated Capital needs require \$12 million, and noted if all revenues were used to meet CIP needs, there would be none left for debt service or school funding. He stated there is currently \$5.1 million in the Capital fund.

Commissioner Coleman questioned if a portion of the budget could be allocated to this fund.

Halford stated additional funding requests will be presented to the Board for other projects, and noted some of the fund has been used for the Animal Shelter and Reedy Fork EMS base. He stated they will begin to address the HVAC and parking deck issues in Greensboro and High Point.

Commissioner Coleman questioned if the Board should address these projects before the next fiscal year.

Halford stated staff would return to the Board within next month or so to initiate some of these projects.

Chairman Phillips questioned if the \$6.2 million appropriated for the EMS Maintenance facility could be re-appropriated.

Halford confirmed funds could be re-appropriated, if it was the intent of the Board.

9. GUILFORD COUNTY SCHOOLS (GCS) CAPITAL NEEDS

Julius Monk, GCS Executive Director of Facilities, introduced the item. He noted projects at Bluford Elementary, Dudley High School and Guilford Middle School have been resolved and reviewed pending projects.

Monk noted High Point Central High School renovations will be addressed in three (3) phases: construction of a new cafeteria facility, renovation of the existing cafeteria to a media center and renovation of the old media center. He stated Phase 1 has been placed out for bid.

Monk discussed Hunter Elementary's designation as a replacement school, and noted they have bid that project and initiated grading the facilities. He stated the Northwood Elementary renovation is scheduled for completion in March 2016.

Monk requested feedback and questions regarding the nine (9) priority projects. He stated the GCS Board of Education met last week to discuss their request reallocation of \$4 million from completed projects transferred to three (3) of the priority projects.

Lawing questioned if the Bluford and Hunter Elementary projects were completed within the allocated budget.

Monk confirmed the projects were completed within budget.

Terrence Young, GCS Chief Information and Student Support Officer, stated staff have been provided a memo regarding the projects.

Gerald Greeson, GCS Director of Maintenance, stated GCS will request \$11 million in capital needs for the next fiscal year.

Maurice “Mo” Green, GCS Superintendent, expressed his appreciation for the Commissioners and their support of Guilford County Schools. He shared his hope that the Board would continue to consider GCS requests, and thanked the Commissioners for their willingness to work collaboratively with GCS.

Commissioner Henning thanked Green for his leadership over the past several years in Guilford County.

Commissioner Foster thanked Green for his leadership and expressed her appreciation for the opportunity to work as a previous GCS board member and current County Commissioner.

Commissioner Cashion thanked Green for his efforts to advance the youth of our community.

Commissioner Coleman thanked Green for his service to the citizens of Guilford County. She shared that he was leaving GCS in a better position within the community.

The Board recessed the meeting at 3:19PM.

Chairman Phillips called the meeting back to order at 3:37PM.

10. FIRE DEPARTMENT FUNDING

Lawing noted the need to discuss tax rate increases for fire districts. He stated historically, the districts submitted these requests, and the County Manager and Emergency Services Director would meet with them for discussion and community feedback. Lawing noted that, overall, County tax rates have reduced; some fire districts have increased their rates.

Albright stated they have not received any requests for the next fiscal year and reminded the Board the County contracts with nineteen (19) fire districts to provide fire protection services throughout the County. He stated funds are raised through the Fire Protection tax, which is based upon property valuation within those districts.

Albright discussed the shift away from volunteerism and transition towards increased costs to ensure service provision and equipment mandates. He stated property valuation determines the amount of funding generated from a fire tax increase. Albright spoke to firefighting as a labor-intensive job and noted the ability to support fire suppression is rapidly declining, due to the number of regulations and time commitment required as a volunteer. He stated out of 157 firefighters within the fire districts, only fifty-five (55) are on duty within the County at any given time. Albright discussed the links between established practice and available manpower, and noted that the County is still allocating funding based upon a formula developed in the 1950's.

Albright stated an independent fire study is being conducted; however, results will not be released until FY2017. He stated the County will be required to make policy decisions during this process.

Chairman Phillips stated citizens had expressed concerns regarding increases in their fire taxes, and noted there was need to ensure citizens were better informed as to the need for these taxes.

Albright stated historically, budgets were based upon capital needs, but now, due to a lack of volunteerism, this funding is being used for operational and personnel costs. He noted the districts have deferred their capital and equipment needs, and the County should be involved with citizens to receive input on their ideas for the fire districts. Albright stated we have fire district commission members in every district appointed by the Board, and they should serve as the voice of the residents within their district.

Chairman Phillips stated he would like to improve the lines of communication between Fire Commissioners and residents of the Fire Districts.

Vice Chairman Branson reiterated the need to inform the community when fire tax increases are being considered to meet the needs of their fire districts, and noted a recent vote in the Town of Stokesdale to increase fire district tax rates.

Albright noted problems with recruiting and retaining paid firefighters, as these smaller districts are experiencing constant turnover. He noted that there is a decline in the volunteer base, and advised the Board that the County will have to consider alternatives to fire protection provision within the communities.

Commissioner Conrad spoke to the need to allow citizens to make decisions regarding the fire tax, and used the example of informational sessions provided in Stokesdale. He spoke to the provision of local act that authorizes this district to hold a special election to increase the fire tax above statutory rates and noted the need to provide additional communication regarding this funding mechanism. Conrad opined on the need to research alternative service options.

Commissioner Coleman echoed Commissioner Conrad's concerns and noted the challenges of changing processes. She stated she is proud and pleased to work with the Pleasant Garden fire district, and noted they continue to receive new volunteer recruits. She questioned the number of new hires that were minorities.

Albright stated no minorities applied for those positions and noted the County recently trained eight (8) new recruits.

Commissioner Coleman spoke to the need to recruit minorities and increase their membership on fire district commissions.

Commissioner Trapp noted the change in times and the challenges for fire protection. He stated that he looks forward to the results of the study and expressed concerns that the existing model is not sustainable.

Commissioner Perdue stated this issue is not specific to Guilford County, or even the State of North Carolina. He noted volunteerism has decreased by 13% within the past ten (10) years, and discussed increases in equipment and personnel costs. Perdue discussed the budget process within fire districts and noted the opportunities for input and oversight. He stated the Board must determine the level of protection the County is willing to fund, and noted community involvement is key when re-evaluating the system.

Chairman Phillips expressed concerns regarding fire districts as non-profit entities with no requirement to open their books for review. He noted the need to mitigate communication between fire districts and citizens, to ensure residents are aware of requests for funding and can support increases in the budgets for their districts.

Albright confirmed the fire districts work within our budgetary process and conduct audits.

Mark Payne, County Attorney, confirmed that under their 501-c3 status, the fire districts are not under an obligation to provide information, but through the contract with the County, they are contractually obligated to provide the information.

Commissioner Perdue noted Internal Audit reviews business processes.

Chief Simmons, of Oak Ridge, spoke to the intensity of the audit process and discussed the need for more education regarding the districts and fire tax process. He spoke to the benefits of Deputy County Manager Grier attending monthly meetings, and noted some issues could be resolved with more involvement. He confirmed that their primary goal is to serve the citizens.

The Board expressed their appreciation for the Fire Departments.

Albright announced the upcoming Fire Rescue Banquet to be held at the Shrine Club on February 26, 2016.

11. FAMILY JUSTICE CENTER (FJC) UPDATE

Catherine Johnson, Family Justice Center (FJC) Director, shared the center has served over 3,000 citizens since its grand opening in June 2015. She stated there is good coordination amongst the professionals involved with the center and noting they are receiving good feedback from participants, however there is more community outreach that must be accomplished. Johnson announced they have launched video conferencing for protective orders, which makes the filing process much safer. She thanked the Board for their support of the Center.

Commissioner Cashion thanked Johnson for her work and her efforts in the community.

Chairman Phillips shared his pride to be a part of the FJC and all it has brought to our community.

Commissioner Trapp questioned if there was a demographic breakdown of the non-profit providers on site.

Johnson stated that there are three (3) non-profit partners in the facility and reported she has worked with several other non-profits organizations within the community.

Commissioner Trapp spoke to the need to continue expanding non-profit relationships to ensure a diverse presence that is representative of Guilford County as an international community.

Johnson stated there are several bi-lingual partners in the facility, but noted the need to continue building bridges within the community. She spoke to the hesitancy of certain citizens to enter the building due to the law enforcement presence, and stated this is an area of focus so the FJC can continue providing services to all citizens in need.

12. COUNTY ECONOMIC DEVELOPMENT INCENTIVE GUIDELINE ALTERNATIVES

Lawing reviewed policy options for the Board to consider.

Payne reviewed some of the basic parameters to the current incentive awards.

Lawing reviewed proposal A with the Board and discussed the potential to exclude clawback provisions. He noted the option in the incentive agreement which states incentives are based upon taxes paid and must be revenue positive. Lawing stressed that, under this option, incentives could not exceed the taxes paid by the company, and reviewed the incentive requirements.

Loren Hill, Brent Christensen, Leslie Bell.

Lawing spoke to Option A's flexibility in considering higher paying jobs with lower capital investment, and the ability to make exceptions outside of the "larger" and "smaller" criteria points. He noted this option allows payout for large impact projects over (5) years and reviewed the funding formulas.

Commissioner Coleman questioned why the criteria for wages, \$838/week, is considerably less than what is included in current guidelines.

Lawing stated this amount is based upon the Department of Commerce's calculation of the average income within Guilford County.

Commissioner Coleman questioned the annual minimum salary.

Lawing stated this option does not establish a minimum.

Coleman expressed concerns with no minimum salary established, when there is a potential for management to earn six-figure incomes.

Lawing noted a minimum salary floor could be added to the option.

Commissioner Coleman questioned if the goal of the incentive package was to increased jobs and increase investments.

Lawing confirmed this was the goal of the incentive package.

Commissioner Coleman questioned if this option addressed existing industry.

Lawing stated that Option A differentiates between large and small industries, while Option B differentiates between new and existing industries.

Commissioner Coleman questioned if the plan would identify areas within the County where there was a need for rapid development.

Lawing noted it would be at the Board's discretion to identify target growth areas in the policy.

Loren Hill, President of the High Point Economic Development Corporation (HPEDC) discussed tiers the HPEDC has used as thresholds based upon certain areas in the community.

Commissioner Coleman requested the approved policy include language regarding target growth areas.

Chairman Phillips questioned tax-free and reduced-tax zones.

Lawing stated the policy cannot include tax-free or tax-exempt areas, and noted everyone must be taxed equally.

Lawing reviewed Option B and noted the policy regarding existing businesses. He stated there is discretion in the percentage and amount language of the proposal.

Mr. Hill stated that the “Up to” language is used in the City of High Point’s policy.

Commissioner Coleman questioned the arbitrary nature of the process.

Mr. Hill spoke to the flexibility of this option, and noted economic incentives are not guaranteed. He advised the Board to give itself sufficient flexibility to consider the specifics of each request.

Lawing reviewed economic incentive models under Option B and noted the example of one county who has a successful history in economic development, without a defined policy. He noted their board has full discretion to consider each request on its merits.

The Board discussed the options presented.

Brent Christensen, Greensboro Partnership CEO, what must be accomplished in order to remain competitive in economic development. He encouraged the Board to remain flexible, while protecting the interests of the County. Christensen noted the goal of any incentive is to bridge deficiencies between our location and an alternate site, while keeping the requestor accountable for promises made to the community.

Chairman Phillips questioned Hill and Christensen regarding their experience with entities that have no economic development policies.

Christensen commented on his experiences with more policy driven programs.

Commissioner Cashion spoke to the benefits of guidelines and their ability to assist companies in determining their eligibility for certain programs, and also noted her interest in a policy with no guidelines that allows flexibility.

Christensen commented on counties near the South Carolina border that do not have economic incentive policies, and discussed how their reputations are developed based upon prior experiences with other companies. He stressed the importance of a marketing team’s ability to attract business to the area.

Lawing stated parameters could be instilled through the contract if a “no policy” option was adopted.

Commissioner Coleman expressed concerns with the “no policy” option and its lack of guidelines. She urged the Board not to weaken policies and expectations when choosing an option, and noted that the deficiencies in the current policy.

Commissioner Conrad acknowledged Commissioner Coleman's concerns and stated the Board has developed a reputation for evaluating options with an open mind.

Commissioner Coleman shared her preference for Option A, with the addition of parameters listed in Option B, and inclusion of the "up to" language as discussed by Lawing and Hill, to allow for flexibility within the policy.

Chairman Phillips shared his interest in developing a more flexible policy, and requested review of the revised policy in the immediate future.

There was no consensus of the Board regarding a "no policy" option.

Chairman Phillips expressed concerns regarding the exclusion of a clawback policy.

Commissioner Cashion shared her interest in including options for small businesses in future policies developed to support business development within the County.

Commissioner Henning stated he would be willing to consider a "no policy" option. He shared his interest in focusing on capital improvements versus workforce development, and emphasized the need to maintain existing facilities.

Commissioner Coleman stated each district has specific needs and spoke to the need for any policy to consider workforce development and capital investment.

Commissioner Trapp shared his support of including job creation as a priority in incentive grants.

Lawing requested Board feedback regarding policy thresholds.

Chairman Phillips stated he should continue to focus on the thresholds and work to include hybrid language.

Commissioner Perdue requested recommendations included to eliminate smaller requests that are not ready for Board consideration.

Christensen stated he would recommend data driven projects.

Commissioners Coleman and Trapp left the meeting at 5:23PM.

13. COUNTY WELLNESS PROGRAM OPTIONS

Lawing discussed progress made by the County Wellness Sub-committee and over the last six (6) months, but noted there is still more work to do to educate employees regarding use of the plan.

John Dean, Human Resources (HR) Director, requested Carol Campbell, HR Benefits Manager, provide an update on insurance.

Campbell shared total claims costs were over \$31 million and noted these costs increased by 4.2% to \$33 million through December 2015. She noted most claims were attributed to pharmacy expenses related to specialty medications, and emergency room visits.

Dean stated approximately 1400 employees have registered for biometric screenings, which will start February 18 and last through February 29, 2016. He noted the screening should take 15-20 minutes, and stressed the importance of employee participation. Dean spoke to the level of skepticism and mistrust within employees, and discussed the need for an employee wellness committee to encourage interest and excitement.

Dean noted the County previously hosted employee appreciation activities and noted the Wellness Sub-Committee's suggestion to hold a "Wellness Day" to educate employees. He discussed a long-term option for wellness clinics, and noted the need for employee input.

Campbell commented on Wells Fargo consultants surprise at the high level of employee participation during the initial biometric screening registration.

Lawing attributed the interest to employees understanding the County provides a robust schedule of benefits, and their desire to maintain or decrease costs.

Commissioner Cashion questioned how the County will assist employees if they only receive aggregate results.

Campbell stated United Healthcare's Health Management Program has staff that will contact employees identified as high risk, as this information will not be provided to the County. She noted that the ability to raise employee awareness of certain risk factors will assist them in communicating with their providers.

Commissioner Trapp returned to the meeting at 5:35PM.

Commissioner Cashion questioned if the County would have access to personal data.

Campbell reiterated the County will have no access to any confidential data.

Lawing stated each employee will receive a report with their own personal information.

Chairman Phillips spoke to the need to develop an employee wellness committee.

Lawing requested direction from the Board regarding research of wellness clinic options.

Commissioner Perdue noted emails were sent regarding the biometric screenings and urged all Commissioners on the County insurance plan to sign up for a screening slot.

At 5:45PM, by unanimous consent, the Board recessed the meeting until Friday, February 5, 2016 at 8:30AM, to be held in the same location.