

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

Greensboro, North Carolina
June 8, 2022

The Board of County Commissioners met in a duly noticed Work Session at 3:00PM in the McAdoo Conference Room located on the third floor of the Truist Building, 201 W. Market St., Greensboro, NC.

PRESENT: Chairman Melvin “Skip” Alston, presiding; Vice Chair J. Carlvena Foster; Commissioners Kay Cashion, Carly Cooke, Justin Conrad and Frankie T. Jones, Jr.

ABSENT: Commissioners Mary Beth Murphy, Alan Perdue and James Upchurch.

ALSO PRESENT: County Manager Michael Halford; Interim County Attorney Matthew Mason; Clerk to Board Robin Keller; Assistant County Manager Erris Dunston; Assistant County Manager Victor Isler; Assistant County Manager Jason Jones; Ariane Webb, Deputy Clerk to Board; Jessica Wolf, Deputy Clerk to Board; Toy Beeninga, Budget & Management Director; Rusty Mau, Assistant Budget & Management Director; Sheriff D.H. Rogers; Captain Aldous Heron; Jim Albright, Emergency Services Director; members of staff, media and the public. Virtual participation was made available to members of the public and media partners.

I. WELCOME AND CALL TO ORDER

Chairman Melvin “Skip” Alston welcomed those present and called the meeting to order at 3:07PM.

II. NEW BUSINESS

A. FY 2022-23 PROPOSED BUDGET DISCUSSION

1. Update on FY 2022-23 Recommended Budget

Toy Beeninga, Budget & Management Director, reviewed the meeting agenda and discussed major budget changes.

2. Update from Guilford County Sheriff’s Office

Beeninga stated the FY 2022-23 recommended budget for the Sheriff’s Office is slightly more than \$80 million and shared the full-year impact of the county-wide merit and a 0.75% state-

mandated increase in the county's contribution to the Local Government Employees' Retirement System upon the personnel services line.

Beeninga discussed major budget drivers, which included increased supplies to protect against COVID-19, as well as, increased fuel costs and reoccurring costs for body worn cameras. He shared that while the department requested 115 vehicles, the County Manager's budget recommends funding fifty (50) vehicle replacements.

Beeninga noted the recommended budget did not include the Sheriff's request for \$100,000 in administrative funding towards training and travel expenses.

Sheriff D.H. Rogers spoke to the needs of detention officers and the importance of reinstating longevity and offering supplemental retirement benefits to retain employees.

Vice Chair J. Carlvena Foster questioned their retirement benefits.

County Manager Michael Halford stated all county employees are members of the Local Government Employees' Retirement System and sworn officers are automatically enrolled.

Vice Chair Foster questioned common practices for law enforcement agencies across the state and if they provide supplement retirement for their detention officers.

Sheriff Rogers confirmed Alamance County added this benefit six (6) months prior and reiterated this is a retention tool used by certain agencies.

Halford stated that all unsworn county employees are offered a 5% county match contribution for their 401K benefits and sworn officers automatically receive this benefit.

Commissioner Frankie T. Jones, Jr. questioned the benefit and pay differences between sworn and non-sworn officers.

Sheriff Rogers stated they are considering a lower class of qualifications to assist in recruiting candidates for officer positions. He noted Mecklenburg and Pitt counties starting pay for these positions is \$51,000, while Guilford's is \$43,000.

Chairman Alston questioned starting salaries for neighboring counties like Forsyth and Alamance.

Sheriff Rogers noted Forsyth's starting salary is \$6,000 more annually and Alamance's is \$8,000 more annually than Guilford.

Halford shared county staff are currently reviewing this data for our class and compensation study and shared Guilford County's current pay philosophy is at 50% of market pay. He confirmed the Board will have to decide if they would like to change this philosophy and increase compensation.

Chairman Alston questioned if the Sheriff's Office was included in the study.

Halford recalled items adopted by the Board to assist the Sheriff's Office, including completing Phase 3 of the compensation plan last fiscal year, and spoke to staff's work to address lateral

issues. He noted the Board's action to expedite the 5% merit increase and step plans in October 2021.

Chairman Alston confirmed staff can only follow Board actions.

The Board discussed the need to increase retention efforts for the Sheriff's Office.

Commissioner Carly Cooke questioned the vacancy percentage as a function of total staffing.

Sheriff Rogers stated they currently have an 8% vacancy rate.

Commissioner Kay Cashion expressed concern with the number of vacancies and questioned short-term strategies that could be implemented to improve efficiencies and effectiveness.

Sheriff Rogers discussed their marketing efforts and noted that, with improved employee benefits, they will attract additional recruits and retain current staff. He expressed his disinterest in consolidating the Greensboro and High Point jails, as this could create more staffing shortages. He shared his belief that within 60-120 days they will make significant impacts upon the number of vacant positions.

Commissioner Jones questioned if there were any other budgetary issues the Board needed to address, besides base pay and supplemental retirement benefits.

Sheriff Rogers stated that, while there were other budgetary items that could be discussed, these were the primary issues and spoke to his goal to make sworn and non-sworn officers equal across the board.

3. Update from Guilford County Schools

Beeninga offered an overview of the Guilford County Schools (GCS) FY 2022-23 budget request and noted the County's contribution comprises approximately 24% of their total revenue. He noted this year's request is an increase of \$37.1 million in county funding and shared the major difference between the recommended budget and request is funds for an administrative supplement and classified staff salary study.

Beeninga noted the County's recommended budget includes approximately \$4-5 million in additional school debt payments, but the presentation did not include the \$50 million set aside to cover repayments for the \$1.7 billion school bonds.

Dr. Sharon Contreras, GCS Superintendent, questioned if the Board had any questions related to the presented budget.

Chairman Alston requested GCS discuss funding requests not included in the County's recommended budget.

Dr. Contreras discussed the request for principal and assistant principal supplements, and noted they are losing administrative staff to surrounding counties because they offer supplements to their base salaries. She shared GCS hopes to increase supplements and lead the state in salaries to reduce principal turnover, which has increased since peer counties began offering higher supplements and bonuses.

Dr. Contreras spoke to the challenges and responsibilities assigned to principals and Guilford County's 91% graduation rate, the highest rate in recent years. She shared the requested budget includes \$3.52 million to address principal supplements.

Chairman Alston questioned the impact of the supplements upon GCS' salary ranking.

Dr. Contreras shared Guilford would be ranked second in the state for principal and assistant principal salaries if the supplement was included in the budget.

Chairman Alston referenced the principal supplement comparison chart included in the presentation and questioned the differences in supplements for larger counties versus smaller ones like Catawba and Durham.

Angie Henry, GCS Chief Financial Officer (CFO), noted these comparisons are provided by the state and one high salary could skew the average supplement in these counties.

Commissioner Jones recommending analyzing the mean and median data, along with allocations based upon expertise and time served to accurately determine how much funding is needed for a competitive supplement.

Dr. Contreras confirmed their recommended supplement incentivizes based upon the type of school, Title I status, school size, etc.

Vice Chair Foster questioned if base salaries in larger school districts offset the need for larger supplements.

Dr. Contreras stated the base salary is defined by the state and supplement is what makes the salaries variable.

Vice Chair Foster spoke to the Mission Possible federal funds that are no longer distributed that encouraged quality teachers and principals to work at high need schools.

Dr. Contreras discussed learning loss rates and noted that GCS does a good job developing and training principals, which results in them being sought after by counties across the state. She discussed retention concerns and noted last year the school system lost 23 out of 126 total principals.

Chairman Alston questioned if the supplement would become a reoccurring cost is approved.

Henry discussed the market study for classified staff such as teacher assistant's and other skilled positions, and the request for \$5.5 million to bring priority positions to 25% of the market.

Dr. Contreras shared they receive notification from the NC Department of Instruction that certain classified positions will require candidates or those already in the position to attain an associate degree.

Commissioner Justin Conrad discussed the request for principal and teacher incentives, and noted other counties are using ESSER funding to recruit and retain staff.

Dr. Contreras shared GCS is utilizing ESSER funding to recruit candidates for hard-to-fill positions and as a source of funding for high needs projects.

Henry noted ESSER dollars are primarily used for recruitment as they are not reoccurring funds.

Chairman Alston stated ESSER funds were used towards bonuses last year.

Henry stated these funds were paid as a bonus to ensure each staff person earned \$15.00 per hour and also towards significant sign-on bonuses for hard-to-fill positions. She noted the state will now ensure all positions have an hourly rate of \$15.00 per hour.

Chairman Alston questioned if the salary study was completed and if GCS staff is requesting additional funding for implementation.

Henry shared the total cost is between \$15.5 to \$17 million and a portion of this amount will be used to pay increasing retirement rates.

Dr. Contreras opined this is not a sustainable model, as the private sector is extremely competitive with salary offerings for comparable positions. She spoke to opportunities for cost-sharing and reiterated they must work to remain competitive.

Chairman Alston questioned if ESSER funds could be used towards bonuses this year.

Dr. Contreras noted these funds were reallocated towards tutoring needs for students experiencing substantial learning loss. She thanked the Board for the opportunity to present.

Chairman Alston stated they are continuously working to increase the County's allocation to the schools with a \$16 million increase last year and a potential \$22 million increase in FY 2022-23.

4. Update from Guilford County Emergency Services

Beeninga introduced the Emergency Services (ES) recommended budget and noted how closely it aligns with the department's request. He spoke to budgetary drivers, including the request for eleven (11) new vehicles and noted prior Board actions to purchase cardiac monitors and provide funding for the EMS Community Paramedic Training Program. Beeninga discussed ES expansion requests and noted the request for an ES Technical Support Administrator was not included in the recommended budget.

Jim Albright, ES Director, discussed major workforce challenges and spoke to the impact of pandemic fatigue upon potential candidates for Emergency Medical Technician and Paramedicine positions. He noted larger, urban counties are losing staff to rural communities so they can achieve a better work-life balance and noted ES personnel work under dangerous conditions.

Albright stated compensation is an issue and provided examples of pay increases offered by counties across the state to recruit and retain staff. He shared that alternate employment opportunities for staff to become nurses, physician assistants or medical doctors' results in them leaving the profession and also noted staff are leaving the field due to strenuous workload and mental anguish. Albright noted that while they are working with County Administration on

recruitment, Wake County pays its paramedics \$20,000 annually than Guilford and he received three (3) resignations this week.

Albright spoke to workload goals and noted one is to strive for 50% utilization, but staff have worked beyond capacity since last year. He shared that unit availability is directly tied to performance and discussed what is needed to meet the Board's goal of reaching 90% of ECHO level calls within 8 minutes and 59 seconds.

Albright encouraged the Board to continue with the Lockton class and compensation study to determine how the County can become an employer of preference in order to retain existing staff and attract new employees.

Halford reiterated the importance of the Board identifying if the County's pay philosophy will place us at 50% or 75% of the market. He shared \$15 million has been allocated to implement the middle of the market pay philosophy.

Albright opined that paying at 50% market value is insufficient and ES is currently working with a 20% vacancy rate.

Chairman Alston questioned the cost associated with bringing ES up the 75th percentile.

Halford spoke to the complex nature of compensation and bringing all positions within certain levels to a comparable rate of pay. He discussed the importance of identifying certain positions that should be considered separately from other departments.

Commissioner Conrad referenced an article published by the US Chamber of Commerce on the labor shortage that noted the most profound impact upon labor during the pandemic was the transition to remote work. He noted this topic must be addressed by future boards, as certain industries and trades will change their expectations in order to retain and attract their workforce.

Commissioner Cashion discussed Johnston County's immediate adjustment to its pay scale in order to remain competitive with Wake County, and spoke of the impact of this change upon its neighboring counties.

Albright spoke to the domino effect throughout the state when compensation is increased substantially in a few counties.

Chairman Alston spoke to the positions with high levels of stress and turnover in departments such as ES, Law Enforcement (LE), Public Health (PH) and DSS. He urged staff to provide information on compensation recommendations so the Board can make immediate decisions to keep the County competitive.

Halford shared they are working through the recommendations in order to provide good information.

Commissioner Cooke noted the Lockton study will address the Board's goal of compensating at 50% of the market; however, Wake County's base salary for paramedics is \$67,000.

Commissioner Cashion spoke to the critical nature of services provided by ES and LE staff and the public's expectation for efficiency. She expressed concern that staff had not anticipated the Board's request to identify what is needed to support these departments during today's work session.

Albright confirmed the urgency of the issues at hand and shared staff do recognize the years of support offered by the Board.

Commissioner Cashion spoke to the need for the County to remain in step with the quickly changing nature of the economy.

Commissioner Conrad reiterated base salaries are changing and spoke to the need for the Board to move beyond a reactionary state and address broader expectations.

Commissioner Jones stated the Board has consistently heard that county staff are underpaid and overworked, and have one of the lowest staff to population ratios in the state. He spoke to the Board's earlier discussions and noted if they do not consider other market rates the County will continue to experience attrition, high vacancy rates and a reduction in our ability to provide services.

Chairman Alston encouraged directors to be selfish when advocating for the needs of their staff and departments in order to provide services and meet citizen expectations. He urged departments to make their requests and allow the Board to make the tough decisions. Alston requested the County Manager provide information on the costs to bring life and safety departments (ES, LE, PH and DSS) to a compensation of level of 75% of the market before next Thursday.

5. Updates from Prior Budget Work Session and Other Items

Major School Capital Needs

Beeninga reviewed the guiding principles for funding major school capital needs and spoke to the importance of setting funds aside for these needs to increase the likelihood of approval from the Local Government Commission (LGC).

Beeninga discussed the County's ability to adjust the number and amounts included in the bond tranches, the current volatility of interest rates and the importance of identifying how quickly funds should be released, based upon GCS projections.

Beeninga offered an overview of the revenue assumptions included in the thirty-year model which would influence the funding set aside in the FY 2022-23 budget. He discussed the FY 2022-23 budget assumptions that include three (3) equal issuances over three (3) tranches and shared the funding plan that would allow the County to set aside sufficient funding to cover future debt payments.

David Cheatwood, Financial Advisor with First Tryon Bank, discussed the scenarios utilized to develop the funding model for the county's bond issuances. He reviewed slow and fast implementation scenarios that are shaped by the number and size of tranches, interest rates and

tax revenues, and discussed how each scenario would impact the amount of funding set aside annually.

Chairman Alston shared his preference for a faster implementation scenario.

Mr. Cheatwood shared the next steps for LGC approval for the general obligation bond, with tentative approval scheduled for either July or August.

Halford reiterated the County would issue the \$1.7 billion bond in a series of issuances over a period of time.

Chairman Alston affirmed the County should not issue any funding until GCS is ready to spend.

Halford spoke to the process involved in issuing bond funding and noted GCS staff are approaching the capital projects in a way that will allow them to manage multiple projects at the same time, despite different designs.

Chairman Alston expressed hope that the County would properly manage the number of issuances, as a new interest rate becomes effective with each one and those will need to be funded.

Halford confirmed financial advisors would assist staff with balancing the issuances to minimize the frequency of going to the market to sell bonds. He spoke to the potential benefits of locking interest rates on larger issuances in the current environment of rising rates.

Commissioner Cashion questioned the potential impact of the bond protest with the State Board of Elections upon this process.

Interim County Attorney Matthew Mason shared he will provide additional information once he researches the NC General Statutes.

Mr. Cheatwood shared the LGC will not likely approve the bond until the appeal has been reconciled.

Commissioner Cooke questioned how bond issuance costs are structured.

Mr. Cheatwood discussed the bond council fees, financial advisor costs and noted the rating agency fees have the greatest impact because they are based on the type and size of the bond issuance.

Commissioner Cooke questioned the Board's interest in reconvening a joint capital and facilities maintenance committee.

Chairman Alston concurred that this was a good time to reconvene this committee.

Commissioner Jones questioned how staff determined the timing of bond sales compared to the construction schedule.

Halford stated that once the project ordinances have been approved by the Board, GCS has the ability to move through the design and other processes. He noted the school system will begin

working on these projects before 2024, which will require everyone to work together to ensure sufficient cash is available until the first bond is issued.

Improve Financial Position & Fiscal Resiliency

Beeninga stated the County has an obligation to maintain a healthy fund balance and the LGC increased its recommended minimum to 16% of the adopted General Fund budget. He shared that the County's current fund balance percentage was calculated at 21.4% by the State Treasurer, based upon anticipated revenues. Beeninga noted the recommended budget excludes \$50 million in funds set aside for GCS major capital needs.

Beeninga confirmed staff would hold future conversations with the Board to discuss appropriate risk levels, fund balance policy and policy levers to achieve Board goals.

Commissioner Cooke noted that if the \$50 million in set aside funding was included in these calculations the County's fund balance would increase by approximately 5%, which would impact our agency ratings and bond interest rates.

Beeninga confirmed.

Halford discussed assigning these funds for LGC assessment and staff's ability to track these funds.

Commissioner Cooke questioned if a future Board could reallocate these funds.

Halford confirmed but noted they would still be committed to repay debt.

Fire Districts

Rusty Mau, Deputy Budget Director, provided an overview of the rural fire protection districts and county fire service districts. He noted their primary challenges are personnel, recruitment and retention due to the lack of volunteerism.

Mau stated that, during this revaluation year, the High Point-Deep River Fire District has requested a tax rate increase and fifteen (15) districts have requested a rate neutral tax rate, while the remaining districts requested to remain at the revenue-neutral rate. He discussed staff recommendations for the districts.

III. OTHER BUSINESS

A. APPROVE INTERLOCAL AGREEMENT WITH CITY OF GREENSBORO FOR ANIMAL SHELTER AND ANIMAL CONTROL SERVICES

Jorge Ortega, Animal Services Director, shared the Board previously approved three-year agreements with local municipalities, but a one-year agreement was approved with the City of Greensboro to allow staff time to analyze the per capita relationship between service fees and call volumes.

Ortega noted a dashboard was created to provide real-time data to our municipal partners which allows them to track animal service activity in their communities.

Beeninga reviewed the current cost share model with the City of Greensboro that is comprised of a 50/50 split for animal control services, resulting in annual revenue of \$804,596. He presented an alternative cost share model that would be based on the percentage of calls located within Greensboro, resulting in a 67/33 split that would generate annual revenue of \$873,894. Beeninga confirmed that per capita charges are applied to the remaining municipalities in both models.

Beeninga stated they are requesting Board approval for a two (2) year interlocal agreement with the City of Greensboro to align with the other municipalities and maintain the current cost share model while exploring alternative methods in collaboration with our local partners to maintain a consistent payment methodology for all municipalities.

Motion was made by Vice Chair J. Carlvena Foster, and seconded by Commissioner Kay Cashion, to approve the execution of the Animal Shelter and Animal Control services agreement with the City of Greensboro, in substantial form, for two (2) years, beginning July 1, 2022 to June 30, 2024.

Commissioner Conrad expressed his support for a one-year extension of the current contract.

Substitute motion was made by Commissioner Justin Conrad to approve the execution of the Animal Shelter and Animal Control services agreement with the City of Greensboro, in substantial form, for one (1) year, beginning July 1, 2022 to June 30, 2023.

The motion died for lack of a second.

Halford stated that the agreements with the other towns include fees that are lower than the amount charged to the City of Greensboro.

Commissioner Cooke questioned the length of the requested agreement.

Halford shared his preference to align the timeframes for all animal control agreements.

Vice Chair Foster noted that the other municipal agreements are three (3) years with different cost share models.

Halford clarified that Greensboro's cost share model is different from the other municipalities.

Vice Chair questioned if staff recommend transitioning Greensboro to the alternative cost share model.

Halford shared staff recommend utilizing the current cost share model for two more years to allow staff time to fully re-evaluate a more holistic approach.

Commissioner Conrad clarified he agrees with the manager's approach.

Motion was made by Vice Chair J. Carlvena Foster, and seconded by Commissioner Kay Cashion, to approve the execution of the Animal Shelter and Animal Control services agreement with the City of Greensboro, in substantial form, for two (2) years, beginning July 1, 2022 to June 30, 2024.

VOTE: Motion carried 5 - 1

AYES: Melvin "Skip" Alston, J. Carlvena Foster, Frankie T. Jones, Jr., Kay Cashion, Carly Cooke

NOES: Justin Conrad

ABSENT: Mary Beth Murphy, Alan Perdue, James Upchurch

Annual State Budget Update

Beeninga shared Guilford County will receive \$2.25 million to support the Triad Workforce Solutions Collaborative, whose primary goal is to create a stronger pipeline of workers between local schools, technical training centers and employers by closely aligning skills development with local market conditions and employer needs.

Beeninga confirmed this revenue would be added to the budget ordinance and staff are working to develop a memorandum of understanding (MOU) with the collaborative on the utilization of these funds. He shared that, once the MOU was completed, they would return to the Board for approval.

Economic Development Organization Funding

Beeninga reviewed the economic development organization funding included in the recommended FY 2022-23 budget. He noted the ordinance packet will include additional capital project ordinances, layout changes for clarity and establishes grant project funds for accounting and tracking purposes.

Commissioner Cooke requested Dwight Godwin, Parks Director, discuss repairs to the greenway.

Godwin stated an additional \$2 million was included in the budget to address greenway needs.

Commissioner Cashion questioned when staff could provide the projected costs to bring LE and ES compensation to 75% of market, as she would like this information before next Thursday. She noted the work session tentatively scheduled for June 14.

Halford stated he would need clearer direction from the Board prior to offering pay scale recommendations, such as which peer comparison counties should be used in the analysis and which critical positions should be analyzed.

Chairman Alston questioned potential outcomes for bring LE and ES staff compensation to 75% of market.

Commissioner Cooke expressed concern with only evaluating 75% of market for two (2) departments and keeping compensation for the remaining departments at 50% of market.

The Board urged staff to provide compensation recommendations for positions that need to be filled urgently.

Halford confirmed he would work with staff on LE and ES positions that meet these requirements.

Commissioner Jones clarified that Juvenile Detention positions should be included in this analysis, as well.

By unanimous consent, the Board requested staff to evaluate compensation at 75% of market for Emergency Services, Law Enforcement and Juvenile Detention positions.

Commissioner Cooke questioned if the budget could be amended to include funding to support the 75% of market compensation goal.

Halford reviewed the peer counties that should be included in the market study and further discussed staff's approach to the study.

IV. ADJOURN

There being no further business, the meeting was adjourned by unanimous consent at 6:33PM.

Robin Keller
Clerk to Board

Melvin "Skip" Alston
Chairman