

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

Greensboro, North Carolina
January 18, 2024

The Board of County Commissioners met in a duly noticed Work Session at 3:30 p.m. in the Carolyn Q. Coleman Conference Room located on the first floor of the Old County Courthouse, 301 W. Market St., Greensboro, NC.

PRESENT: Chairman Melvin “Skip” Alston, presiding; Vice Chairwoman J. Carlvena Foster (in at 3:38 p.m.); Commissioners Kay Cashion, Brandon Gray-Hill, Alan Perdue (via virtual communication), Carly Cooke, Frankie T. Jones, Jr. (in at 3:41 p.m.), and Mary Beth Murphy (in at 4:07 p.m.).

ABSENT: Commissioner Pat Tillman.

ALSO PRESENT: County Manager Michael Halford; County Attorney Andrea Leslie-Fite; Clerk to the Board Robin Keller; Deputy Clerk to Board Ariane Webb; Deputy Clerk to Board T’ebony Rosa; Budget Director Toy Beeninga; Finance Director Don Warn; Chief Judge Teresa Vincent; 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 Alston welcomed those present and called the meeting to order at 3:31 p.m.

II. NEW BUSINESS

A. FY 2024 BUDGET UPDATE

David Payne, Senior Budget and Management Analyst, provided an overview of internal and external Guilford County services. He spoke to the general fund, debt service, and capital funding. He spoke to methods of generating revenue to include property taxes, sales tax, federal and state sources, and user fees. He shared 2,930 personnel strength in service delivery to the public. He provided fiscal year 2024 budget highlights to include positive revenue growth and projected expense growth.

Haley Matthews, Senior Budget and Management Analyst, spoke to base revenues are in line with historical growth patterns with a fiscal year 2025 estimated growth of \$14-18 million. She explained how to calculate property tax revenue at a \$0.7305 tax rate of \$100 assessed value. She noted that Guilford County is fifth (5th) out of the ten (10) largest North Carolina counties in per capita tax revenue. She spoke to the 6.75 cents sales tax revenue with an estimated 2% growth.

She highlighted local and national retail and food sales trends. She spoke to positive economic indicators along with global uncertainties. She shared estimates from Medicaid and foster care reimbursements.

Toy Beeninga, Budget and Management Director, explained the budget balancing strategy of appropriating \$30.7 million in FY24 fund balance to minimize the use of fund balance in the FY25 budget. He spoke to sales tax, expense drivers, and a debt financing plan for large contractual obligations, compensation, and vehicle replacement.

County Manager Halford spoke to a return to normal in regards to revenue growth coming out of the pandemic. He shared expenses such as foster care and school construction. He asked the Board to consider how we address Guilford County Public Schools and Guilford Technical Community College (GTCC) future capital requests, emergency medical service (EMS) demands, and outside agency commitments of \$1.7 million. He anticipated no significant revenue growth, with each penny bringing in approximately \$7.1 million.

Beeninga spoke to a budget timeline towards adoption in June. He spoke to continue working with Guilford County (GC) Schools, understanding mandates and nonmandates, service inventory, and cost controls.

Commissioner Cooke questioned a reference to Coronavirus Aid, Relief, and Economic Security (CARES) Act funds expiring in public health, and further questioned whether there was a county program impact. She wants to see these programs pulled out separately with a summary and determine if there is revenue to continue or just evaluate.

Beeninga confirmed bringing information back to the Board.

Beeninga spoke to \$180 million to GC Schools and building capacity to handle debt spikes.

Chairman Alston questioned the amount issued and the interest rate.

Beeninga confirmed the issuance and will provide an interest rate.

Chairman Alston questioned tonight's \$180 million agenda item's interest rate.

Finance Director Don Warn confirmed a 5% interest rate.

Halford spoke to movement towards 3%.

Beeninga spoke to exceeding the models, but an interest rate was not built in. The interest rate could be adjusted for assumptions once the debt is sold.

Vice Chairwoman Foster questioned limiting change in the property tax rate in comparison to the FY25 estimate at a 2.3% change.

Beeninga spoke to no need for a future tax increase and to Board action to set aside the rate. These models were fully funded for the life of issuance with 2.3% growth to be flexible.

Commissioner Cashion questioned our comfort level after approving the \$180 million.

Beeninga spoke to tonight's resolution to enter into a sale with a rating agency with a planned sale date on February 13th, a closing in early March, and a March 7th Board update on the interest rate and who we sold to, the size of the tranche, and further conversations.

Halford spoke to the prior \$120 million and 2/3 bonds interest rate was 2.574%.

Beeninga spoke to three (3) local debt policies, debt per capita, under 1% will grow to 5%, expenditure budget based on 3% growth, and potential flexibility to work with GC Schools.

Halford explained that for two (2) years the Board pre-funded the budget to handle spikes and a set aside of \$100 million was planned.

Chairman Alston questioned if we are on schedule with the school construction progress. He questioned whether the funds were needed immediately since we are basing this on a prediction.

Beeninga confirmed that we have spent the \$120 million.

Halford recommended \$180 million to have cash available, to consider cash flow, and shared that the next bond set is \$560 million. He urged us to pay attention to that very closely, as we are using county cash and the schools are spending \$20 million a month.

Chairman Alston noted this is an election year and interest rates fluctuate, and to consider timing. These rates are not flexible, so consider our use of the cushion (\$150 million) that has not been exhausted.

Halford recommended issuing the \$180 million now.

Chairman Alston noted that we are probably making 1-2% on the \$180 million, and we can use our money now and then use the \$180 million later.

Halford noted the item on tonight's agenda is to approve the sale at the risk to the Local Government Commission (LGC). In August/September, the next ask is to consider \$560 million.

Chairman Alston questioned the Board's approval of the issuance.

Commissioner Cooke recalled asking a question years ago regarding the cost of a bond issuance. She noted a complicated formula. She also questioned the over \$100 million for debt service to use to float and push issuance of \$180 million. She wanted to know the risk to the LGC, and any other risks we are aware of.

Halford spoke to getting on the LGC schedule to determine if there is a material change and shared that the issuance cost on \$180 million is \$750,000.

Beeninga spoke to the latest estimate was \$550,000.

Warn spoke to some are flat costs and others are determined by the rating agencies. It is a contractual amount, with no benefit for issuing less money. We get economies of scale with larger amounts.

Commissioner Cooke questioned whether spending the reserves to float the debt creates a risk with the LGC.

Warn spoke to the LGC schedule, and the competition to secure a date. It noted the difficulty to get a date but it does not penalize us.

Commissioner Cooke reiterated her question for clarity to determine if we use the set aside to float allocations inside of the issuance to get a better interest rate, and if this is not favored by the LGC. She spoke to the benefit to set up a funding model to set aside money for payments.

Halford noted risks with credit rating industries that could threaten the County's AAA rating.

Chairman Alston questioned the funding option as we are not stopping progress on the schools.

Commissioner Murphy questioned spending, our AAA rating, and associated risks.

Warn confirmed using a conservative model, bond interest rates, and cash flow concerns.

Commissioner Jones questioned the critical point of coupon issuance, and the interest rate.

Commissioner Cashion questioned the effect on our credit rating in the event of a plan diversion.

Halford confirmed that a delay in a bond sale hits into our committed county funds.

Chairman Alston encouraged us to think outside the box, and to stay conservative in our spending.

Halford confirmed a follow up with all inquiries and concerns.

Beeninga continued the presentation and introduced Allyson Coltrane, Senior Grants and Management Analyst.

Coltrane provided an overview of the Community-Based Organization (CBO) funding process, highlighted public purpose statements, the four (4) areas of improvement, and discussed procedural next steps.

Halford spoke to staff involvement in the process to review applications and to determine policy guidance with county funding levels. He noted outside entities can measure impact and long-term multiplier affects.

Vice Chairwoman Foster questioned if the information sessions were advertised on Facebook.

Coltrane confirmed use of all county social media outlets.

Commissioner Cashion questioned the current feedback received from CBO grants, and the measurement procedure in lieu of self-reporting at the end of the year.

Coltrane spoke to quarterly and expense self-reporting as the only program measurement oversight.

B. LAW ENFORCEMENT ADMINISTRATION CENTER UPDATE

Halford shared that all the bids are in. He spoke to Black, Indigenous, and People of Color (BIPOC) participation numbers, project timeline estimates, and next steps regarding Board approval.

Taking the prerogative of the Chair, Chairman Alston adjusted the agenda to hear a presentation from Chief Judge Teresa Vincent.

D. LEGAL SUPPORT CENTER

Judge Vincent provided an overview of the Legal Support Center (LSC) impacts, the access to justice gap, and offering legal document assistance for self-represented litigants. She compared facilities in Wake and Mecklenburg counties and quality of life effects. She shared a vision for the LSC is to have a part-time position in both Greensboro and High Point to lessen the number of continuances. She spoke to Elon Law School and bar association partnerships. She noted the movement to paperless and to e-courts will create navigation challenges, which lends itself to appointing a Project Manager.

Vice Chairwoman Foster questioned when the other counties started their initiatives.

Judge Vincent confirmed two (2) years for Wake County.

Vice Chairwoman Foster questioned anticipated numbers.

Judge Vincent spoke to a definite need for such a facility and recalled a heavily utilized facility in Arizona. She shared that the courts dedicate two (2) days for self-represented clients since attorneys know how to jockey the docket. We have high volume and cap the number of cases heard each day with approximately 5000 civil cases per year. She emphasized that people deserve to have their cases resolved sooner rather than later. The courts handle domestic violence, custody issues, and spousal/child support cases.

Vice Chairwoman Foster questioned designated service days, a projected start date, and expenditures.

Judge Vincent spoke to designating a minimum of two (2) days per month in addition to a need to fund positions and adjust space.

Commissioner Murphy spoke to the Mecklenburg County center and recalled personal challenges in civil court. She spoke in favor of supporting this project.

Commissioner Jones commended Judge Vincent for championing this cause, as she has seen over the years a need to figure out gap fillers, especially for middle income individuals trying to navigate this process. He shared that incorrect paperwork creates a vicious cycle. He noted lawyers are supportive of these efforts to make the process more efficient and a LSC makes a lot of sense.

Commissioner Cashion spoke to a need for a LSC and additional staffing is predicted. She questioned domestic violence and civil cases.

Judge Vincent spoke to public defenders for criminal cases. She noted that in a civil case there is no right to an attorney unless there is contempt.

Halford spoke to Board direction regarding space upgrades, scope of work, personnel processes, and state funding,

Chairman Alston directed the County Manager and staff to proceed on securing a funding source for the Legal Support Center to accommodate spacing needs, facility upfits, and gap operating support.

There was a consensus of the Board to proceed.

C. ERWIN ELEMENTARY SCHOOL UPDATE

Halford updated the Board on the school purchase, subsequent building remediation processes, and demolition options. He spoke to community discussions, public-private partnerships, and marketability. He highlighted the UNC School of Government Development Finance Initiative (DFI) prior to introducing Assistant County Manager Erris Dunston.

Dunston explained DFI, the pre-development work on public sites. She noted the importance of feedback from the Board and community stakeholders, with a demographic mix and infrastructure variety.

Halford spoke to the DFI fee structure and Board direction to explore this partnership.

Chairman Alston directed the County Manager and staff to proceed with exploring the UNC SoG DFI partnership regarding the Erwin Elementary School remediation and demolition project to help navigate community-centric possibilities, market analysis, funding opportunities, and public-private partnerships.

There was a consensus of the Board to proceed.

III. OTHER BUSINESS

1. FAMILY FORWARD INITIATIVE: ACCREDITATION PROCESS

Commissioner Cooke provided an overview of the accreditation process, recognized Action Greensboro Executive Director Cecilia Thompson who was participating via virtual communication. She noted the initial \$50 application fee with another \$1500 certification fee with a timeline for completion at the February 21st Chamber of Commerce celebration and recognition.

Chairman Alston directed the County Manager and staff to proceed with the Family Forward Initiative accreditation process.

There was a consensus of the Board to proceed.

IV. ADJOURN

There being no further business, the meeting was adjourned by unanimous consent at 5:29 p.m.

Melvin “Skip” Alston
Chairman

Robin Keller
Clerk to Board