



**GUILFORD COUNTY BOARD OF COMMISSIONERS
FY 2018-19 BUDGET WORK SESSION
Wednesday, April 25, 2018 - 12:30 PM
John H. McAdoo Conference Room - Third Floor
201 West Market Street (BB&T Building)**

Present: Chairman Alan Branson, Vice Chairman Justin Conrad, Commissioners Jeff Phillips, J. Carlvena Foster (arrived at 1:57p.m.), Carolyn Q. Colman, Alan Perdue, Melvin “Skip” Alston, and Katie “Kay” Cashion.

Absent: Commissioners Hank Henning.

Also Present: County Manager Marty Lawing, County Attorney Mark Payne, Clerk to the Board Robin Keller, Deputy County Manager Clarence Grier, Deputy County Clerk Scott Baillargeon, Guilford County Communications Manager Worley Smith, members of the community, and members of the media.

I. CALL TO ORDER

Chairman Branson Called the meeting to order at 12:54 p.m. and asked County Manager Marty Lawing to speak to the items on the agenda.

Lawing to introduce the agenda items before the Board today. He shared that the Board would not need to vote on any item, but he asked that the Board take consideration of the information dispersed today. He shared many items that need to be addressed as they are on timeline. Lawing introduced Budget Director Michael Halford.

II. FY 2017-18 BUDGET UPDATE

Budget Director Michael Halford provided a performance report as part of the overall County budget. He spoke to expenses, revenues, and how the total budget has been impacted by additional expenses. He shared the areas where caution would need to be sought to maintain the current budget. He outlined the differences between the budget fund balance in relation to changes in costs, debt spikes, and personnel spending. Halford illustrated the areas where the County was saving money and noted that in every item, the County continues to remain under budget. He spoke to the

expenses incurred in the capital improvements, debt repayments, and where the County is 13M under budget for the fiscal years.

Commissioner Phillips asked about capital expenses incurred, and what made up the extent of those expenses.

Halford stated that the expenses were typically incurred on vehicles. He offered a review of the County Revenues and illustrated the County had received \$686,319,103.00 in property tax revenue the County had received. He noted that the sales tax reflected a 1.4M increase in revenue. He provided several reasons that accounted for the increase, emphasizing that the period reflected a short several months, and the real expenditures offset sales tax revenues is yet to come. He noted the federal and state revenues and emphasized that no real issues exist at this time. Revenues from User Fees reflected an increase in revenues for the fiscal year.

Vice Chairman Conrad asked for a breakout of the User Fee Revenue budget, particularly where the money is collected and how much per department.

Commissioner Alston asked about the spikes outlined in the revenue illustration.

Halford provided a breakout for how the County receives revenues from taxes. He discussed the spikes in revenue and where they originated. He discussed Other Revenues that also reflect an increase in revenues for the fiscal year. He shared that the County had been, since March, over revenue, which he stated was a positive. Halford discussed Fund Balance Replacement and emphasized the need to provide a balanced balance to the citizen. He shared several purchases, i.e. vehicles, where the money is distributed for the vehicles towards the end of the year, however, the County takes possession of the vehicles in the following fiscal year. Therefore, the amount of money saved will be augmented by the expenditures. However, he noted, that it would still be a balanced fund balance. Halford turned to the fund balance and provided a thorough breakout of the expenditures.

Commissioner Cashion asked about the previous year's fund balance.

Halford provided those number and explained several increases in the fund balance and illustrated that much of the previous year's fund balance was a windfall where the County was playing catch-up. Halford asked the Board to provide feedback concerning the structure of the breakout.

Commissioner Phillips requested a breakout of the numbers in a 'top 5' type of illustration of the data.

Commissioner Cashion asked where Halford identified positive aspects of the current budget.

Halford identified several overall positive areas of the budget but noted the areas where the budget could be tightened to reduce unnecessary expenditures.

Commissioner Coleman asked Marty Lawing if there had been efforts to sell the County farm.

Lawing shared the status of the farm and shared his recommendations to sell the farm. He felt it would not provide a long-term solution. However, would be something to consider going forward.

Commissioner Perdue recognized several beneficial impacts that could be sought to bolster revenues.

III. REVIEW OF MAJOR REVENUE SOURCES / PROJECTIONS

Halford spoke to the early projections of property and sales taxes. He noted the general fund balance adopted and discussed the ways to reduce the overall general fund balance.

Commissioner Alston suggested that Finance meet with different banks to increase competition to increase interest from investments.

Finance Harley Will shared his willingness to shop around for larger banks to increase revenues from interest.

Lawing provided feedback and offered several solutions to the problem.

IV. PRELIMINARY 5-YEAR CAPITAL IMPROVEMENT PLAN REVIEW

Halford reviewed the capital improvement plan. He shared the different things that the County must do by statute.

Commissioner Alston asked about the department of safety request.

Lawing provided feedback that he had received from the request.

Commissioner Coleman asked about the timeline to approach the General Assembly to appropriate the funds to disperse to the County,

Vice Chairman spoke to a previous water study where the State provided funds up front to draw from. He emphasized that the requests were different, however noted that it had worked well previously.

Halford provided an update on the parks where many of the park projects have been postponed by one-year.

Lawing spoke to the soccer fields that City of Greensboro was interested in expanding in Bryan Park. He shared that meetings were ongoing, however, postponed due to the recent tornado event. He asked the Board to consider moving forward with the project but was unaware of how much money would need to be invested into the project. He outlined several surface issues that would

be costly. He emphasized that the sports are growing, and it would be a good measure to invest in the expansion of the parks yet recognized the scant funds available to invest. He stated that the County does control the land but needs a partner with the City of Greensboro to move forward. There are several issues concerning the land that are prohibiting a partnership due to the land.

Commissioner Coleman shared her concerns with the project.

Commissioner Phillips shared his concerns with the budget in relation to the project.

Lawing offered his input on the field and the issues that face both the county and the City with moving forward.

Vice Chairman discussed the Bryan Park and the discussions he has had with citizens about expanding the fields and working with a partnership to expedite the projects. He noted some internal disagreements present within the City of Greensboro concerning the partnership.

Commissioner Phillips shared that he would support the partnership conceptually. However, he stated he requested that additional conversations be had to ensure a strong partnership.

Commissioner Alston stated that the Board could share with the City of Greensboro their interest in participating with the project; however, he expressed caution to move forward with the City sharing the dollar amounts included in the overall costs.

Chairman Branson shared his concerns with the project and noted soil conservation. He shared his interest with the project and spoke to the growing area.

Commissioner Cashion stated that the Board considers more than just the expansion of soccer fields. She emphasized the need to offer more opportunities for sports.

Discussion ensued among the Board.

Halford provided more data on the capital fund and where the needs are most a priority.

V. REVIEW DEBT SERVICE BUDGET

Halford provided several options for funding additional capital needs. He offered the Board several options that would assist in balancing budget. He emphasized the Board to decide to afford the County's projects already begun.

Commissioner Alston asked if the revenues could be used to augment raising taxes.

Lawing provided more details concerning several projects where funding for projects in progress are in flux.

Commissioner Phillips shared his concern and confusion for the funds distribution. He shared his understanding of the projects, and the funding being distributed to them.

Lawing shared where funds had been distributed throughout ongoing projects in the County.

Commissioner Perdue shared that the most revenue generated came from the County was through EMS. He shared that he would support nothing less than moving the EMS projects forward.

Lawing shared other options to fund ongoing projects. He identified ways to stretch funding to accommodate all the projects in progress.

Discussion ensued among the Board concerning the project priorities.

Deputy County Manager Clarence Grier noted that the numbers projected for the Animal Shelter reflect the number in the population. The numbers are projections and should be considered as such.

Commissioner Cashion asked about the detention center.

Halford stressed the importance of a new facility to keep the 244 per day cost for each Guilford County kid. He stated that to ensure a balanced budget, the County needed to commit to funding the project.

Lawing stressed the need to build the EMS in one phase and avoid breaking it into two phases as it would cost exponentially more in breaking them up. He noted the benefits of the 2/3 Bonds.

Chairman Branson asked about the property for the Animal Shelter in relation to what the county owns and does not own.

Lawing provided feedback concerning the property and those effected by the sale. He also discussed the progress on the parking lot. He could not speculate on the total value of the property.

Halford provided more clarity for what the project meant overall to the budget. He discussed where the debt would incur among school facilities, bond premiums, and lotteries.

Commissioner Coleman asked about the lottery system in the County.

Halford provided limited feedback on the process of lotteries.

Discussion ensued among the Board concerning the fund balance.

Lawing asked about the difference between Net and County total.

Halford provided clarification as to the difference between the net and County total.

VI. GUILFORD COUNTY SCHOOLS PRELIMINARY BUDGET REQUEST

Lawing provided a summary of the Guilford County Schools preliminary request. He outlined the funds being appropriated among the schools. He provided data showing the ebb and flow of the budget over the last ten years. He noted the 2017-18 pupil expenditure and average daily membership data for top 15 per pupil schools.

Commissioner Phillips inquired about the budget for schools in relation to the debt services.

Discussion ensued among the Board concerning the needs of schools and debt services of the County overall.

Commissioner Foster inquired about the district's needs.

Lawing provided more information.

Discussion ensued among the Board regarding grant money, district money, and new funding requests. The superintendent's 10M request; however, emphasized that the tornado event may impact the data displayed.

Lawing shared additional information concerning the impacts of the tornado event including needed repairs based on the MGT study on the conditions of all school facilities.

Commissioner Coleman asked about what would happen to the schools if it were found the school was a total loss.

Discussion ensued among the Board concerning the definition of a total loss, and what would be done.

Chairman Branson shared his curiosity for the study's findings.

Commissioner Phillips spoke to the school's insurance policy to make prudent decisions concerning the location of the property and total damage.

VII. GUILFORD TECHNICAL COMMUNITY COLLEGE PRELIMINARY BUDGET REQUEST

Lawing provided a discussion of the capital outlay regarding safety and security. He stated the schools have requested annual capital 7.5M.

The Board discussed the 7.5M request from the School Board. However, Lawing shared that the School Board would be meeting soon to discuss the details of the request.

VIII. ECONOMIC DEVELOPMENT AGENCY REQUESTS

Lawing outlined the economic development agency requests.

Halford outlined the application process and the monies associated with the process.

Commissioner Cashion asked if staff would be presenting to the Board or would it come from an outside agency.

Lawing shared that myriad ways could be selected for presentation, and he asked that the Board provide him with the most effective plan to move forward.

Commissioner Coleman emphasized the need to hear from some of the agencies, not all, but enough to get a good sampling of the requests.

Vice Chairman Conrad spoke to the different agencies that did not (Noted the African-American Atelier which only generated 1,773.00 economic impact.

Planning Director Leslie Bell spoke to several agencies that had missed the deadline to submit their requests.

IX. MEDICAID POLICY CHANGE FOR 2018

Lawing introduced Transportation Director Myra Thompson to speak to the recoupment plan. He provided background on the item and asked Myra Thompson to address the changes. Lawing provided the details of the recoupment process emphasizing the 60-day expiration. He stated that the County seeks to create a balanced budget to eliminate errors to avoid violating the Medicaid policy changes.

Thompson spoke to the changes and explained that Social Services would be held accountable if Medicaid is abused. She shared what her department had done to avoid any errors. She emphasized training programs to get staff all working from the same procedures. She spoke to the issues associated with NCFAST that determined eligibility incorrectly to which the County will have to pay back \$10K in violations. She shared that in the next fiscal year they would be vigilantly looking at every case.

Commissioner Phillips asked if the policy change had ever been in place before. He shared his concerns with the new policy, however believed that the assessment is necessary.

Thompson said no. She outlined the new initiatives that will come with the change. She emphasized the impacts of the quarterly state audit. She noted that if the County can identify errors before the audit uncovers them, there would not be a payback.

Commissioner Perdue noted the training of quality control. He asked if the process could be automated. He emphasized that the individual case worker needs to be assessed.

Thompson noted the challenges to keep staff current on the State system in addition to the Medicaid changing policies. She also expressed concern for the number of employees that are new employees. The training of new employees is a constant process.

Discussion ensued among the Board regarding the process of NC Fast and the Medicaid policy at present.

X. FY 2019 BUDGET DRIVERS

Halford addressed numerous budget drivers in the upcoming fiscal year. He discussed infrastructure, maintenance needs, facility needs, compensation issues, salaries including 3% merit. He discussed budget allocations for schools and GTCC.

XI. METHOD TO REVIEW RURAL FIRE DEPARTMENT TAX RATE INCREASE REQUESTS

Lawing discussed the tax increases to fire departments tax rate increases and the justifications for the increases. He shared the different options to proceed with. He offered an option for the Board to consider.

Vice Chairman Conrad expressed concern for the few FD included in the requested rate changes.

Chairman Branson noted the myriad medical reasons that would require public safety.

Commissioner Perdue shared the need to have quality people volunteering. He shared an upcoming study that will identify recommendations for how to improve the overall state of public safety. He spoke to the board of directors and commissioners that ensure multiple checks in place to ensure the needs of the community are met.

Commissioner Cashion clarified if the four Fire Districts listed were the only four that had requested an increase.

Commissioner Phillips spoke to the individual districts and shared that he respected their recommendations regarding the process.

Discussion ensued among the Board about the County fire departments, the issues they face.

XII. OTHER BUSINESS

Halford noted the MetroLab Network and thanked Jason Jones for his efforts to get the County in the network.

XIII. ADJOURNMENT

The Board adjourned by unanimous consent at 4:14 p.m.

Chairman

Clerk