

**PERSON COUNTY BOARD OF COMMISSIONERS**  
**MEMBERS PRESENT**

**FEBRUARY 4, 2019**  
**OTHERS PRESENT**

David B. Newell, Sr.  
Gordon Powell  
Jimmy B. Clayton  
Kyle W. Puryear  
B. Ray Jeffers

Heidi York, County Manager  
C. Ronald Aycock, County Attorney  
Brenda B. Reaves, Clerk to the Board

The Board of Commissioners for the County of Person, North Carolina, met in regular session on Tuesday, February 4, 2019 at 9:00am in the Person County Public Library Gallery. This meeting designated for the Board Retreat focused on Fiscal Year 2019-2020 Budget.

Chairman Newell called the meeting to order. Commissioner Powell offered an invocation and Vice Chairman Jeffers led the group in the Pledge of Allegiance.

**DISCUSSION/ADJUSTMENT/APPROVAL OF AGENDA:**

It was the consensus of the Board to accept the agenda as presented.

**DISCUSSION/ADJUSTMENT/APPROVAL OF CONSENT AGENDA:**

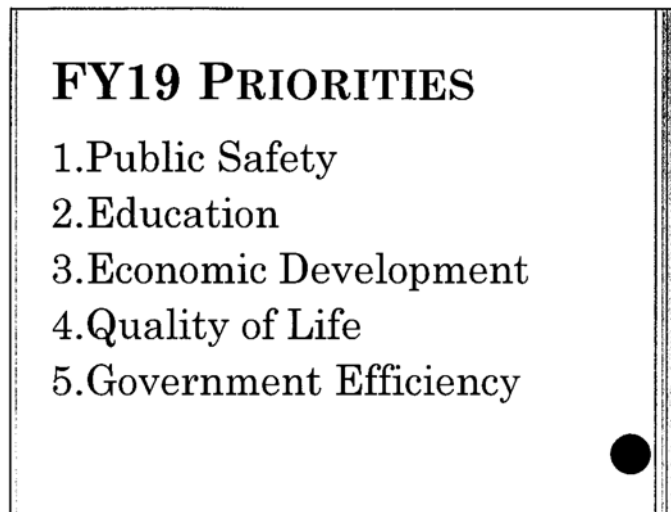
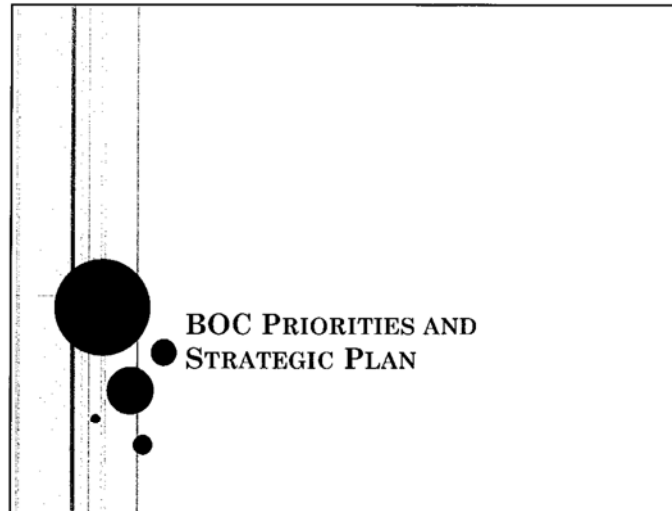
A **motion** was made by Commissioner Powell and **carried 5-0** to approve the Consent Agenda with the following items:

- A. Report of Unpaid Taxes, and
- B. Advertisement of Unpaid Real Estate Taxes

**STRATEGIC PLAN PRIORITIES:**

Assistant County Manager, Sybil Tate led the Board in discussion related to its Fiscal Year 2020 budgeting priorities as well as facilitated the Board's discussion in the development of an updated Strategic Plan and/or an Action Plan.

Ms. Tate shared the following slides to guide the discussion:



## FY20 PRIORITIES?

- 1.?
- 2.?
- 3.?
- 4.?
- 5.?

Quality of Life  
Economic Development  
Public Safety  
Education  
Government Efficiency  
Other(s)?

Is the Board interested in  
creating a strategic plan or an  
action plan?

## STRATEGIC PLAN

- Update the most recent strategic plan, OR
- Create a new strategic plan
  - Community driven?
  - Board driven?



## ACTION PLAN

- Each commissioner provides their top 5 priorities
- Commit to work sessions before regular meetings
  - Determine which actions have majority support
  - Develop internal teams to carry out actions



The Board discussed the following priorities, in no particular order: Economic Development, Education, Government Efficiency, Public Safety, Quality of Life, and Human Services. While all priorities were deemed important, it was the consensus of the group that the top three unranked priorities were Public Safety, Economic Development and Education noting that the three are all tied together.

Ms. Tate explained the Strategic Plan was a long-range plan, i.e. 5-year plan whereas the Action Plan was a short-term for the next 1-2 years. Much of the discussion revolved around needed assistance with the opioid crisis within Person County. Vice Chairman Jeffers stated the National Association of Counties (NACo) had programming in place and Person County could now review what has or has not worked in other counties as Person County sets its plan in place. Commissioner Clayton noted that Vance, Granville and Alamance Counties had implemented programs.

Ms. Tate reminded the Board of funding in the mental health budget that provides training for first responders with the Narcan kits as well as the recently implemented program in the Jail to lower the recidivism rate, both viewed as successful.

Vice Chairman Jeffers asked for education related to co-sleeping noting the infant mortality rate in Person County is above the state-wide average.

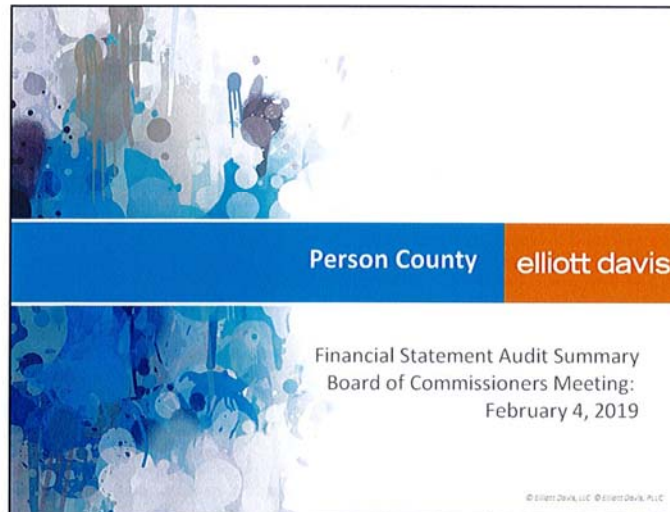
Vice Chairman Jeffers suggested the Board implement a board driven Action Plan and Strategic Plan. Chairman Newell stated the Board should pursue as a unit to set the plan and to target one item at a time to complete and then go on to the next item.

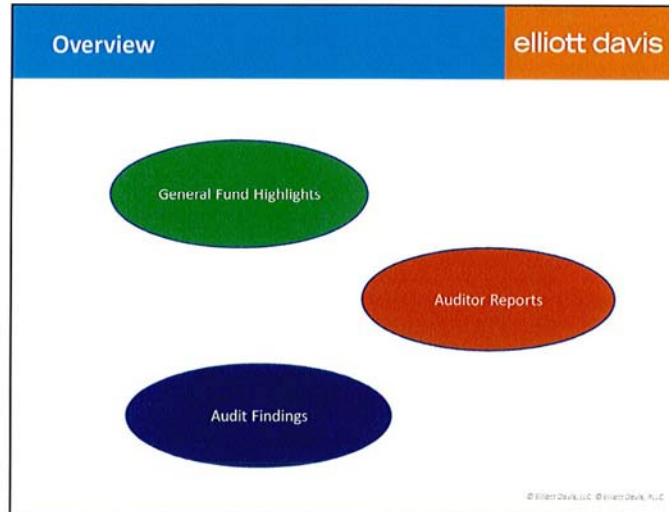
County Manager, Heidi York asked if the Board would agree to have additional work sessions to set its strategic priorities to which they all agreed.

**ELLIOTT DAVIS, PLLC, AUDITOR'S PRESENTATION:**

Ms. Rochelle Friend, Senior Manager with Elliott Davis provided the following information related to the Financial Statement Audit Summary:

2/4/2019





The slide has a blue header with "General Fund Highlights" and an orange header with "elliott davis". The content is organized into three sections, each preceded by an orange circle icon:

- Revenues of \$55.7 million**
  - exceeded budget by \$715,000 million, and
  - exceeded the prior year by \$907,000 or about 1.7%.
- Expenditures of \$50.1 million**
  - were less than budget by \$5 million, and
  - exceeded the prior year by \$291,000 or less than 1%.
- Fund balance of \$25.9 million**
  - increased by \$2.2 million compared to \$319,000 in the prior year
  - increase was *after* transfers out of \$3.47 million.

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General Fund Highlights
elliott davis

	Unassigned Fund Balance	
	2018	2017
General fund expenditures	\$ 50,081,434	\$ 49,790,377
Months	12	12
Estimated monthly expenditures	4,173,453	4,149,198
Unassigned FB-GF	16,223,464	14,172,971
Estimated monthly expenditures	4,173,453	4,149,198
Estimated months of available GF FB	3.89	3.42
FB as a % of GF expenditures	32%	28%

- *GFOA* - recommends an available fund balance of no less than 2 months of general fund operating expenditures
- *LGC* - recommends an available fund balance of at least 8% of general fund expenditures.
- *Person County FB policy* - requires an available fund balance equal to or greater than 18% of general fund expenditures

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Auditor's Reports
elliott davis

Independent Auditor's Report  
(Opinion on the Financial Statements)

- *Auditor's responsibility* - to express an opinion on the County's financial statements
- *Managements responsibility* -
  - To prepare and present the financial statements in accordance with US GAAP
  - To maintain internal controls relevant to the preparation and presentation over financial statements that are free from material misstatement
- We have expressed an *unmodified* opinion on the County's financial statements

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Auditor's Reports	elliott davis
<u>Report on Internal Control over Financial Reporting and on Compliance</u>	
<ul style="list-style-type: none"> <li>○ We consider the County's internal control over financial reporting to determine appropriate audit procedures.</li> <li>○ We do not express an opinion on the effectiveness of the County's internal controls</li> <li>○ We are required to report internal control deficiencies that are considered to be <i>significant deficiencies or material weaknesses</i>.</li> </ul>	
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Auditor's Reports	elliott davis
<u>Independent Auditor's for Each Major Federal (and State) Program and Report on Internal Control over Compliance</u>	
<ul style="list-style-type: none"> <li>○ <i>Auditor's responsibility</i> - to express an opinion on the County's compliance with the requirements of its major federal and state programs</li> <li>○ <i>Managements responsibility</i> - <ul style="list-style-type: none"> <li>▪ For compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.</li> <li>▪ To maintain internal controls over compliance with compliance requirements applicable to its federal and state programs</li> </ul> </li> <li>○ We have expressed an <i>unmodified</i> opinion on the County's compliance with the requirements applicable to its major federal and state grants</li> </ul>	
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Audit Findings	elliott davis
<ul style="list-style-type: none"> <li>○ Pre-Audit Certification</li> <li>○ Segregation of duties</li> <li>○ Recording of bank deposits</li> <li>○ Self-insured claims</li> </ul>	
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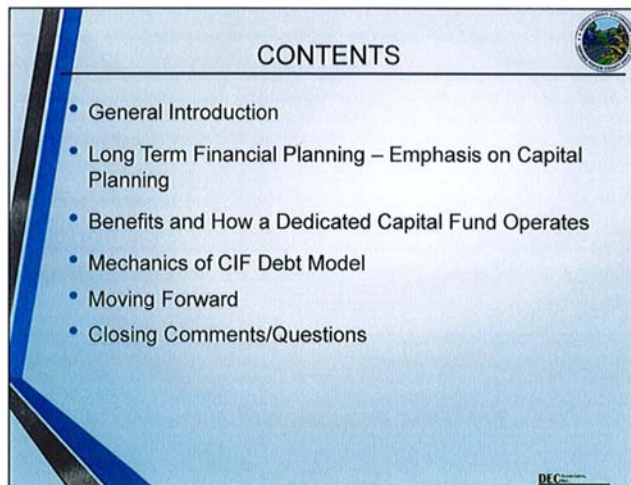
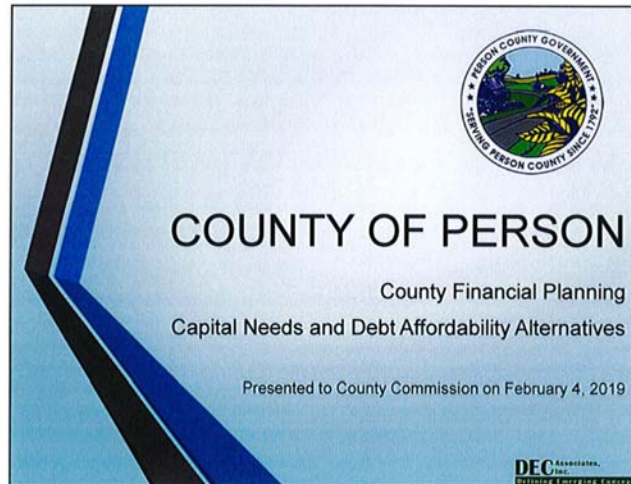
Contact	elliott davis
<p><b>Tom McNeish</b>  <b>Email:</b> Tom.McNeish@elliottdavis.com  <b>Phone:</b> 919.334.6180  <b>Website:</b> <a href="http://www.elliottdavis.com">www.elliottdavis.com</a></p>	
<p>Elliott Davis ranks among the top 30 CPA firms in the U.S. With sixteen offices across six states, the firm provides clients across a wide range of industries with smart, customized solutions. Elliott Davis Decosimo is an independent firm associated with Moore Stephens International Limited, one of the world's largest CPA firm associations with resources in every major market around the globe. For more information, please visit <a href="http://elliottdavis.com">elliottdavis.com</a>.</p>	
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The Comprehensive Annual Financial Report for the Year Ended June 30, 2018 was handed out to the group. Ms. Friend and Finance Director, Amy Wehrenberg answered questions related to the County's total debt and the net pension liability.

## DEBT MODEL PRESENTATION:

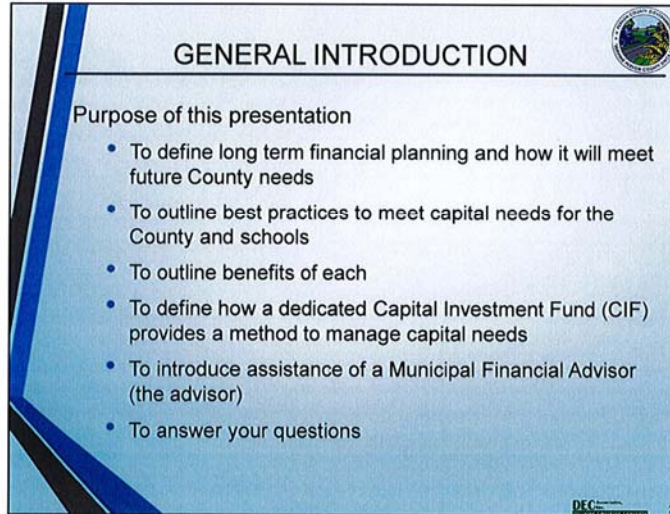
Mr. Douglas Carter, President and Mr. Andrew Carter Vice President of DEC Associates Inc. of Charlotte provided the following presentation to the Board related to their services for County Financial Planning for advice for Capital Needs and Debt Affordability alternatives:

2/4/2019



1

February 4, 2019

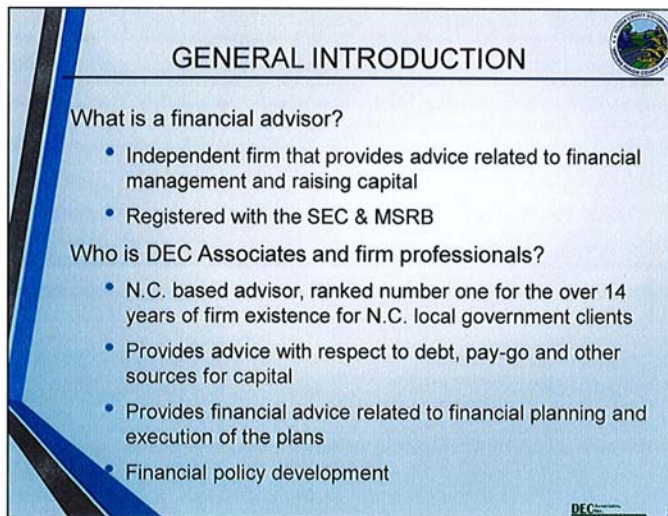


## GENERAL INTRODUCTION

Purpose of this presentation

- To define long term financial planning and how it will meet future County needs
- To outline best practices to meet capital needs for the County and schools
- To outline benefits of each
- To define how a dedicated Capital Investment Fund (CIF) provides a method to manage capital needs
- To introduce assistance of a Municipal Financial Advisor (the advisor)
- To answer your questions

DEC 2



## GENERAL INTRODUCTION

What is a financial advisor?


- Independent firm that provides advice related to financial management and raising capital
- Registered with the SEC & MSRB

Who is DEC Associates and firm professionals?

- N.C. based advisor, ranked number one for the over 14 years of firm existence for N.C. local government clients
- Provides advice with respect to debt, pay-go and other sources for capital
- Provides financial advice related to financial planning and execution of the plans
- Financial policy development

DEC 3

## LONG TERM FINANCIAL PLANNING




Importance of financial planning

- Provides a road map
- Sets policies and achievement objectives
- Measures achievement
- Provides for annual review and can change as needed
- Provides for greater financial alternatives
- Provides tool to match needs with priorities

Creation of County-wide financial policies

- Financial metrics – fund balance levels, etc.
- Investment policies
- Debt policies




4

## LONG TERM FINANCIAL PLANNING



Benefits of financial planning

- Creates ability to plan for the longer term
  - Especially for capital investments
  - And the operating costs they often bring
- Sets the stage for improving financial standing
  - Planning for the longer term gives greater room to meet unforeseen financial events
  - Provides for time to make changes with least sudden impacts
- Creates credit ratings positives
- N.C. Local Government Commission regards long term financial planning a part of sound financial management



5



## LONG TERM FINANCIAL PLANNING

Credit rating considerations – capital planning and affordability – adds rating strength

- Rating Agencies look at four specific areas – Economy, Finances, Management, Debt – the last three all increased by long term financial planning
- Specific methods to identify funding sources and long-term capital financial strategies
- Soundness of the financial plan – needs are present and failure to address them a credit negative
- Does the capital plan meet projected County needs?
- County management and elected board “buy in” to the capital plan/debt affordability

DEC 6

## LONG TERM FINANCIAL PLANNING


N.C. counties have generally included in their general fund operating cost, debt service and pay-go capital expenditures

- Differences in funded pay-go amounts from year to year and debt service reductions have created difficulty in consistent allocations between operating and capital
- As a result a number of counties have altered their allocation methods and created a separate fund to account for and fund capital priorities.
- This new method has been well received by county policy makers.

Following slides outline the creation of a separate Capital Improvement Fund (CIF) in order to separate capital costs.

DEC 7

## BENEFITS AND HOW A DEDICATED CAPITAL FUND OPERATES




What is included in the new CIF

- Move current debt service resources/cost and any pay-go capital funds to the New CIF
- Based upon County's current repayment amortization new capacity will be generated
- Add additional resources (new revenues or fund balance, as examples) as needed to meet County Commission approved capital needs
- These steps create the ability to determine new capital capacity

DEC

## BENEFITS AND HOW A DEDICATED CAPITAL FUND OPERATES




Within the CIF - building a debt/capital capacity analysis

- What is it anyway?
  - A blending of available resources/revenues
  - A definition of needed capital facilities and prioritization
  - A preliminary development of debt structures and a statistical analysis to define capacity to meet the capital needs
- What does it include?
  - Assumptions on growth, cost, timing, etc.
  - Analysis of various funding scenarios and structures
  - "What if" analysis
- Defines debt affordability methods and establishes a debt model

DEC

### BENEFITS AND HOW A DEDICATED CAPITAL FUND OPERATES




What the debt model within the CIF accomplishes

- Separates the resources dedicated to capital from General Fund operating resources
  - Very sound planning method
  - Provides greater ease in budgeting for both operating and capital related costs
- Adds flexibility and recognizes the need for capital for a well managed County
  - New facilities
  - Major maintenance and replacement
- Highly prized method of funding by rating agencies and the LGC

DEC 10

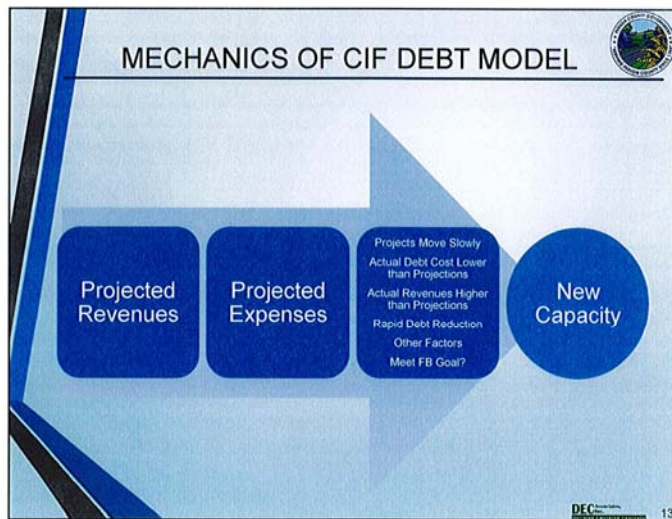
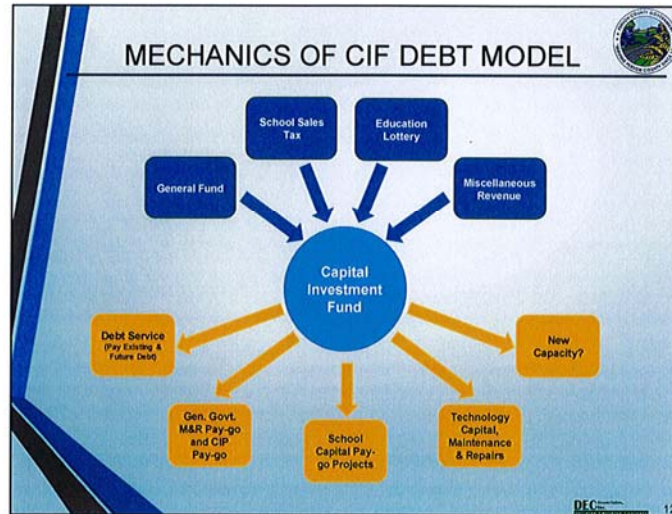
### BENEFITS AND HOW A DEDICATED CAPITAL FUND OPERATES



- Debt Affordability Model Development
  - Model – Identifying Current Resources Used by the County to Pay Debt Service
  - Contemplated Capital Projects are Added - Identify when/how Much Resources Need to be a Adjusted to Cover Additional Debt Service
  - Identify Means to Accomplish Capital Program; Change Timing of Projects; Alter Priorities; and Other Potential Strategies Including Budget and Funding Methods

DEC 11







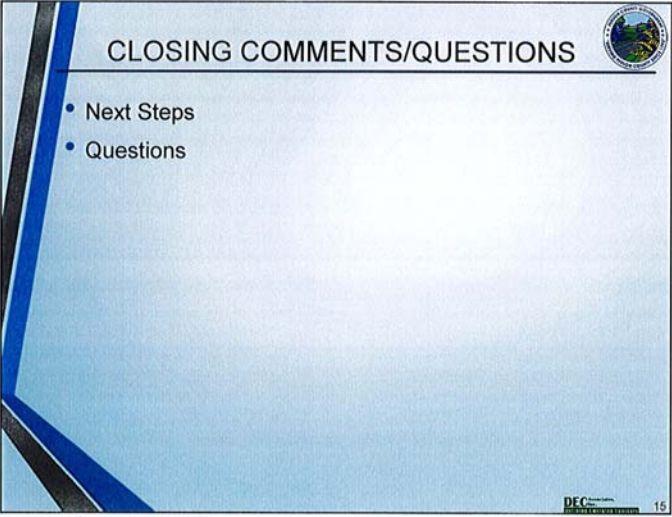
### MOVING FORWARD

Implementation of long term financial planning include:

- Development of County financial policies.
- Develop capital project priorities, ranking them and setting preferred timing for each.
- Update the CIF debt model to reflect the project priorities.
- Develop the final CIF, reflecting County Commission priorities, within capacity provided by the CIF model projections.
- Adopt the CIF as part of 2021 budget.
- Perform periodic CIF model review and repeat this process annually.

This new method, when implemented, would provide on-going information to staff and the County Commission and be part of the annual budget capital planning.

DEC 14



### CLOSING COMMENTS/QUESTIONS

- Next Steps
- Questions

DEC 15

DEC Vice President Carter said DEC would need a good year to develop a plan. Assistant County Manager, Sybil Tate asked for a plan for Fiscal Year 2021, when would DEC need the information from the Schools for its analysis. DEC President Carter stated the Schools should develop its list of priorities, the timing for those priorities and the associated costs for each priority explaining how they got to that cost; he added DEC would need that information by the fall of 2019 or soon thereafter.

Chairman Newell announced a brief break at 11:11am. The meeting was reconvened at 11:18 am.

County Manager, Heidi York stated she and Amy Wehrenberg, Finance Director were available to facilitate any further discussion or information needed related to any of the presentations thus far.

Chairman Newell asked staff about the costs related to DEC financial planning for the County's debt model. Assistant County Manager, Sybil Tate said the cost was \$35,000 for the Debt Model for Person County and thereafter the model was delivered, the County could contract for them to remain as the County's financial advisors, if deemed appropriate.

The Board asked staff if they recommended pursuing a financial plan for a debt model to which Ms. Wehrenberg stated DEC specializes in debt modeling and that they could add layers to the Capital Improvement Plan that she does not have the resources. She added the advice would empower the Board for an option or options for a best decision, the County's credit rating may improve and the County's financial policies would be enhanced. Ms. York stated with the level of debt coming to the County from the Schools, the timing was right to pursue financial advice.

A **motion** was made by Chairman Newell and **carried 5-0** to hire DEC for its Debt Model services.

Commissioner Puryear asked Ms. Wehrenberg how did the new auditor and its services compare to the previous auditor (Creech & Evans) to which she noted it was a different experience and process, mainly due to the first year association with the new firm.

**REVENUES:**

Tax Administrator, Russell Jones provided the following information to the group related to the County's Revenues:

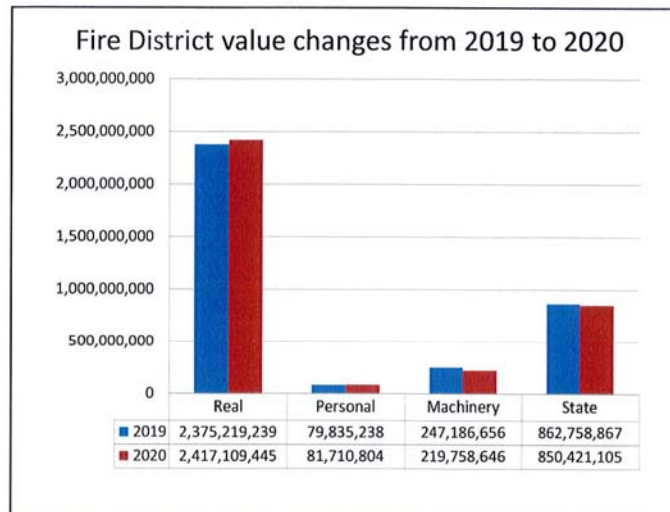
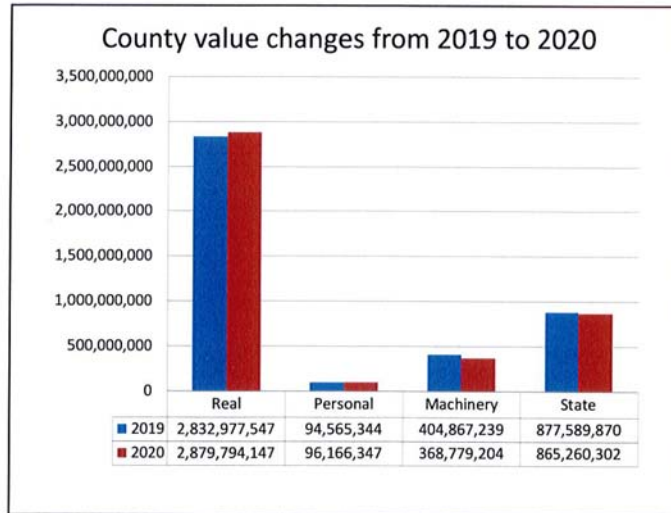
2/4/2019

**Comparison of County Tax Rates & Fees**

County	Property Tax	Fire tax	Solid Waste	Total tax bill for home at \$ 116,000	Total tax bill for home at \$ 200,000
Person	.70	.01	\$0	\$824	\$1,420
Granville	.84	.00	\$86	\$1,060	\$1,766
Vance	.89	.064	\$112	\$1,219	\$2,020
Durham	.7779	~.11	\$159	\$1,189	\$1,935
Orange	.8504	~.0726	\$132	\$1,203	\$1,978
Caswell	.709	.0369 + \$ 15 vehicle	\$44	\$909	\$1,536

**Comparison of County Tax Rates & Fees**

County	Total tax bill for home at \$ 116,000	Total tax bill for home at \$ 200,000	Storm Water	Animal Fee
Person	\$824	\$1,420	~\$ 16	\$ 3
Granville	\$1,060	\$1,766	~\$ 16	\$ 0
Vance	\$1,219	\$2,020	\$ 0	\$ 0
Durham	\$1,189	\$1,935	\$ 0	\$ 0
Orange	\$1,203	\$1,978	\$ 0	\$ 30 or \$ 10
Caswell	\$909	\$1,536	\$ 0	\$ 0



For next year, what will one penny generate?

Collection Rate	County	Fire
97.50 %	\$ 447,956	\$ 377,963

To Generate \$ 630,836 more in fire tax

Collection Rate	Fire Tax Rate	One penny of Revenue Generates	Additional Revenue
97.50 %	+ 1.67 ¢	\$377,963	\$ 631,198

Collection Rate	County Tax Rate	One penny of Revenue Generates	Loss In Revenue
97.50 %	(1.41 ¢)	\$ 447,956	(\$ 631,618)

## **OSFM ISO RATING PRESENTATION:**

Mr. Brian Cox, Fire Rating Inspector along with Mr. Tony Bailey, Fire Rating Inspector with the NC Department of Insurance-Office of State Fire Marshal (OSFM) Ratings and Inspections Division stated the Ratings and Inspections Division is responsible for inspecting and surveying fire districts for minimum 9S requirement for fire protection under the North Carolina Response Rating System. The Division also serves as a resource to fire districts, local governments and emergency personnel.

Chairman Newell asked the fire rating inspectors to explain what Person County needs to do to result in a lower ISO rating for citizens, similar to what Caswell County recently achieved. Mr. Cox noted Caswell County had been working on a lowering its ISO rating for three years. He indicated that first, all VFDs have to agree to work together to implement the plan, then establish and certify all-weather access to water points, have three years of good records, the appropriate maintenance, testing, training, roster of manpower, and approved equipment. Mr. Cox said it would really be helpful to have a knowledgeable person with the process to lead the effort for the County. Mr. Cox further noted that all VFDs are struggling to keep the needed volunteers and the mandated 15 certified on the roster.

Mr. Bailey explained the OSFM fire suppression rating system based on the criteria ISO uses in reviewing the major elements of a community's fire protection system and develops a numerical grading system evaluating facilities and practices; this system assigns credit points for each item. The NC OSFM calculates a total score on a scale of 0 to 105.5 after consideration of emergency communications, fire department (including operational) and water supply. In addition, community efforts to reduce losses through fire prevention, public fire safety education and fire investigations are also recognized.

The scale is outlined below:

Class 1	90.00 or more points
Class 2	80.00 to 89.99 points
Class 3	70.00 to 79.99 points
Class 4	60.00 to 69.99 points
Class 5	50.00 to 59.99 points
Class 6	40.00 to 49.99 points
Class 7	30.00 to 39.99 points
Class 8	20.00 to 29.99 points
Class 9	10.00 to 19.99 points
Class 10	0.00 to 9.99 points (no fire protection)



County Manager, Heidi York asked Mr. Cox to address the possibility of VFDs to merge. Mr. Cox stated there was a trend whereby VFDs will consider a merger, thus having the main fire station (mandated 15 certified volunteers on roster) and a sub-station (mandated 4 certified volunteers on roster) noting the total would be 19 required versus 30 as two separate fire stations. Mr. Cox said Person County, as the contracting agency could request a merger. Mr. Cox indicated another trend was that counties are transitioning to paid, part-time staff.

Vice Chairman Jeffers asked County Attorney, Ron Aycock if a VFD folds, what happens to its assets. Mr. Aycock stated the contract may outline what happens to the assets, and if not, there was nothing in the general law. Mr. Aycock said just because the county provides funding that was not a claim to the assets. He added corporate charters provide for disposition of assets; some charters provide that the assets will be distributed to a government entity or the charter may provide its assets to be distributed to any other non-profit. Mr. Aycock confirmed that real property law provides that should a land owner give property to a VFD on condition that it be used as a VFD, and it ceases to be used as a VFD, the property has to be returned to the original owner.

Vice Chairman Jeffers stated there is a VFD in the county that is currently on probation with the OSFM and he wanted to be proactive to have the fire protection services in that area not to jeopardize citizens or industry in that community. He added that his preference was not to make the upcoming payment to this VFD unless they are in good standing with the state. Mr. Bailey stated that May 22, 2019 is the final date for remedy noting there will be a meeting in March that will include the County Manager, Board of Directors President, and the Fire Chief for an update. Mr. Bailey confirmed the two deficiencies included 1) manpower and 2) instant reporting.

A **motion** was made by Vice Chairman Jeffers to hold Woodsdale Volunteer Fire Department's next payment from the County until in good standing with the state.

Ms. York confirmed the budget appropriation for Woodsdale Volunteer Fire Department is \$123,871; she added that according to the contract, the County has to notify them in writing regarding a breach of contract and they have 30-days to correct it. After that point, committed funding can be withheld or reduced if the corrections are not in place.

An **amended motion** was made by Vice Chairman Jeffers and **carried 5-0** to give notice in writing to Woodsdale Volunteer Fire Department of the breach of contract.



Related to the remaining funding allocations that are budgeted to be distributed to the VFDs, Ms. York asked the Board's consideration to disburse the funding in one-lump sum versus the multiple disbursements.

A **motion** was made by Commissioner Clayton and **carried 5-0** to provide the remaining budget allocations to the VFDs in one lump sum payment according to the schedule as set up by the Finance Department.

Chairman Newell announced a brief break at 12:35pm. The meeting was reconvened at 12:39pm.

**PREVIEW OF NEEDS IN FY2020:**

County Manager, Heidi York shared the following presentation with the Board highlighting a Preview of Needs for Fiscal Year 2020 for both Capital and Operating as known at this time. Ms. York stated she has received an amended Capital request from Person County Schools and was anticipating an amended Capital request from Piedmont Community College. Ms. York noted the Operating was based on discussions with departments; departments will officially submit its Operating requests within a week or so.

Ms. York's presentation follows:

## Preview of Needs FY2020

### CIP Requests

- Schools: \$31,280,000, amended:  
\$681,481
- PCC: \$4,938,158
- Roofing: \$564,568
- LEC: \$55,000 security upgrade
- IT: \$130,358 server expansion
- Plan., Inspcts., EH, GIS: \$185K software
- Parks & Rec: \$313,069 lights & playground
- Econ. Dev: \$721,648 3<sup>rd</sup> year of fiber  
\$3.6M for Exec. Hangar

Chairman Newell asked the County Attorney to investigate the procedures involved with private/public partnership, i.e., for the Exec. Airport Hanger or any other joint venture.

Ms. York noted the Schools' Superintendent requested a meeting with the Chairman, Vice Chairman and herself to further discuss their funding needs. She added staff have requested the school's plan for schools to remain open or to be closed prior to the County committing to Capital funding.

2/4/2019

<b>CIP Requests</b>	
<b>Schools</b>	
Southern Middle fire alarm upgrade	\$200,000
Earl Bradsher interior painting	\$80,000
ADA Accessibility Requests: North, N.End, Oaklane, Woodland	\$398,481
<b>TOTAL</b>	<b>\$681,481</b>

<b>CIP Requests</b>	
<b>PCC</b>	
Phone system debt service	\$57,592
PECIL Pod debt service	\$79,000
Facility master plan	\$54,000
Advanced tech. training center/STEM early college	\$3,800,000
Enviro controls for buildings	\$500,000
Enclose open walkways	\$100,000
Generator building S	\$80,000
Campus safety and security	\$50,000
Building L and walkways	\$217,566
<b>TOTAL</b>	<b>\$4,938,158</b>

### **Operating Requests**

- Land use plan: \$185,000
- Inspections: 1 FTE, Inspector
- IT: \$25,000 phone maintenance
- IT: \$11,100 Text/Social Media archiving
- Library: \$59,000+ 1 PTE Bookmobile
- PATS: \$35,190 software
- Insurance: 15% increase
- Compression study: costs unknown
- Debt Model consult.: \$35,000

**QUESTIONS?**

Vice Chairman Jeffers stated a potential request to the Recreation Advisory Board from citizens with children that have disabilities for a wheelchair accessible swing.

Ms. York explained the Operating Requests known at this time include an update to the Land Use Plan that is 20 years old that affects economic development substantially. She noted that the City of Roxboro is interested in a joint Land Use Plan development with the County should the County be interested. If interested, the funding could be split \$60,000 by the City and \$125,000 by the County. Chairman Newell requested a copy of the Land Use Plan.

Ms. York told the group that she is bringing some policy updates to the Board at its next meeting; one being the change from a cell phone stipend to a county owned cell phone because the IRS rules have changed and the ability to archive and to more easily fulfill requests for public records. IT Director, Chris Puryear added text messages are public records that need to be archived. Mr. Puryear stated for security purposes and to comply with state laws, he was hopeful to realize a cost savings.

Chairman Newell stated the Library Advisory Committee was hopeful to raise the full \$59,000 if the \$100,000 grant was awarded.

Ms. York spoke of the unknown costs for the proposed compression study that would address the movement across the pay scale noting the informal bids for the study would cost \$19,500 however the implementation costs are unknown at this time.

#### **BUDGET WRAP-UP:**

County Manager, Heidi York stated staffs' intent to develop a budget reflecting the priorities of the Board highlighting that education, economic development and public safety remain the key pillars for funding for the next fiscal year. She said for any direction or strategies that any of the commissioners would like to offer to staff would be helpful.

A **motion** was made by Vice Chairman Jeffers and **carried 5-0** to eliminate the animal fee effective July 1, 2019.

**RECESS:**

Chairman Newell announced at 1:10pm the meeting was in recess until 2:30pm in the Commissioners' boardroom 215 in the County Office Building.

Chairman Newell called the recessed meeting to order at 2:35pm.

**CLOSED SESSION #1**

A **motion** was made by Vice Chairman Jeffers and **carried 5-0** to enter into Closed Session at 2:35pm per General Statute 143-318.11(a)(3) for the purpose to consult with the county attorney in order to preserve the attorney-client privilege with the following individuals permitted to attend: County Manager, Heidi York, Clerk to the Board, Brenda Reaves, County Attorney, Ron Aycock, and Assistant County Manager, Sybil Tate.

A **motion** was made by Commissioner Powell and **carried 5-0** to return to open session at 3:11pm.

Chairman Newell asked the County Manager to provide a list of mandated services required by the Health Department. He added he requested a balance sheet noting their expenses are going up and revenues are decreasing.

County Manager, Heidi York stated the Board of Health Chair, Dr. Atkins requested to contact Commissioners Clayton and Powell to discuss some issues at the Health Department. Ms. York stated Dr. Atkins preferred to go this route versus agreeing to a joint meeting with both boards. Ms. York added the Health Department has experienced significant turnover, which is costly to the County. In addition, the Health Department has not had the appropriate standing orders to deliver services.

**ADJOURNMENT:**

A **motion** was made by Vice Chairman Jeffers and **carried 5-0** to adjourn the meeting at 3:19pm.

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Brenda B. Reaves  
Clerk to the Board

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David B. Newell, Sr.  
Chairman

February 4, 2019