

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

**APRIL 19, 2021**  
**OTHERS PRESENT**

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Gordon Powell  
Kyle W. Puryear  
C. Derrick Sims  
Charlie Palmer  
Patricia Gentry  
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Heidi York, County Manager  
Brenda B. Reaves, Clerk to the Board  
S. Ellis Hankins, County Attorney

The Board of Commissioners for the County of Person, North Carolina, met in regular session on Monday, April 19, 2021 at 9:00am in the Person County Office Building Auditorium.

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

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

A **motion** was made by Commissioner Sims and **carried 5-0** to approve the agenda.

**INFORMAL COMMENTS:**

The following individuals appeared before the Board to make informal comments:

Ms. Cindy Martin of 396 Shore Acres Drive, Semora reminded the commissioners of the issue they all ran on in the recent election, and that was to make Person County prosper. She asked the Board to support the Mega Park site noting if the County loses both the Mega Park and the power plants, the County is in trouble.

Mr. John Seepe of 277 Barefoot Landing Lane, Semora addressed the Board related to the action by the majority of the Board to remove Liz Bradsher from the Economic Development Board without a cause being provided. Mr. Seepe stated his lack of trust in local officials and asked the County Attorney to insure all Closed Sessions met the criteria to be held in closed session with an attestation that nothing other than the closed session matter was in fact discussed in closed session. Mr. Seepe said intense scrutiny was in order for the Board's contemptuous behavior.

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

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

- A. Approval of Minutes of April 5, 2021, and
- B. Budget Amendment #14

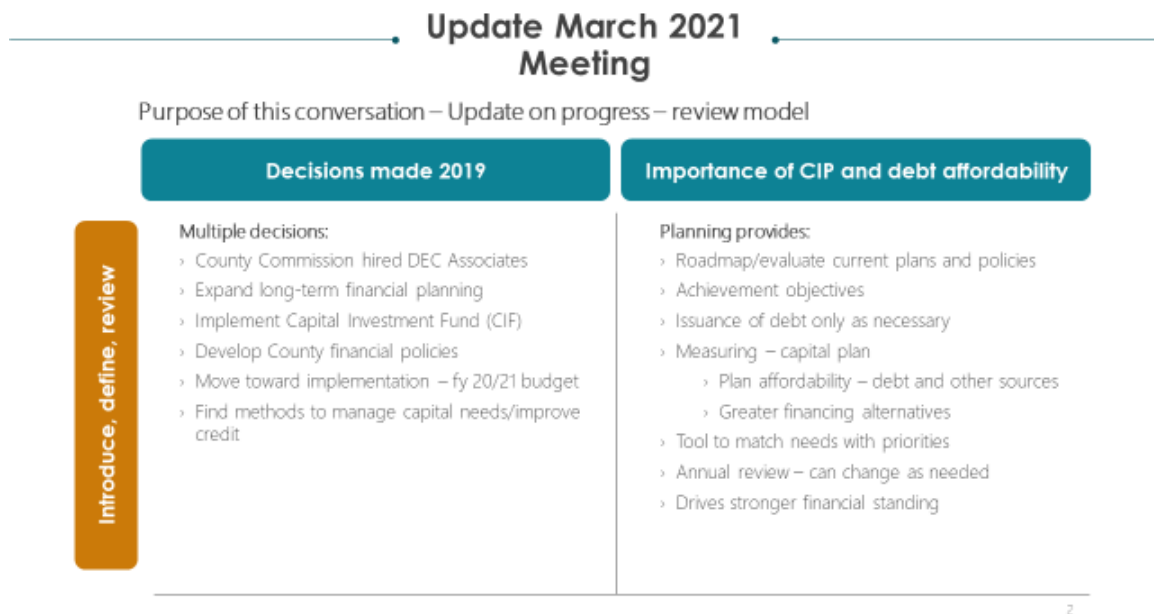
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## NEW BUSINESS:

### DEBT MODEL:

County Manager, Heidi York introduced Mr. Doug Carter of DEC Associates Inc. who joined the meeting remotely and Mr. Andrew Carter, Director of DEC Associates Inc. who was in-person, both serving as the County's financial advisors. Ms. York stated Person County has been working with DEC Associates to develop a debt model to forecast impacts and to help the Board to understand the County's ability to pay debt service of varying amounts as the Board works toward developing a plan for managing the debt associated with the needs of Person County Schools.

Mr. Andrew Carter shared the following presentation with the Board:



## Model Cash Flow

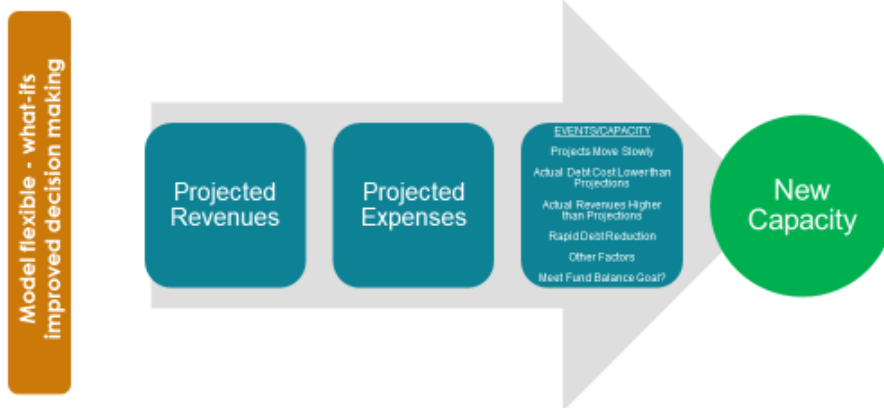
Flow of funds into and out of the CIF:



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## Model Structure

Blends available \$s, includes all capital cost, projects future cost and uses reasonable metric/other assumptions (revenue growth rates, future interest rates, timing):



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## Model Status

	Revenue/existing data side in good order	Project needs and timing
Further project information essential for affordability decisions	<p>Includes needed info and debt mode to come:</p> <ul style="list-style-type: none"> <li>› All available revenues/resources to CIF identified               <ul style="list-style-type: none"> <li>› Frozen amount from GF</li> <li>› All school related revenues</li> </ul> </li> <li>› Includes all current cost (debt service)</li> <li>› Includes Manager's recommended CIP pay-go projects               <ul style="list-style-type: none"> <li>› Awaiting School related annual capital outlay</li> </ul> </li> <li>› Includes projection of future pay-go               <ul style="list-style-type: none"> <li>› Essentially to "reserve" pay-go capacity</li> </ul> </li> </ul>	<p>Future spending:</p> <ul style="list-style-type: none"> <li>› Manager recommended 5-year CIP pay-go program</li> <li>› Estimates of school's capital and tech outlay</li> <li>› Person County Schools Initial Priorities               <ul style="list-style-type: none"> <li>› Approximately \$38M in total cost</li> <li>› The model currently shows a spending plan that meets this funding over a period of years – funding entire amount upfront not possible with current assumptions</li> <li>› Model allows for "what if" scenarios – can change project sizes and timings and possible revenue sources</li> </ul> </li> </ul>

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Mr. Andrew Carter proceeded to explain the General Financial Model(s) using funding summary pages illustrating debt modeling in the amounts \$20M, \$30M and \$38M as examples. \$38M represents the Person County Schools initial needs for ADA, maintenance and repairs on existing school facilities as noted in a Long Range Facility Needs Assessment prepared in 2018.

Mr. Andrew Carter said the \$20M debt model scenario provided two issuances of debt, in Fiscal Years 2022 and 2024 without the need for any new revenues. The \$30M debt model scenario provided three issuances of debt, in Fiscal Years 2022, 2024 and 2026 but would need approximately one-penny tax value or \$490,000 of additional revenue annually. The \$38M debt model scenario provided four issuances of debt, in Fiscal Years 2022, 2024, 2026 and 2028 and would required approximately \$833,000 in new revenues annually. Mr. Andrew Carter confirmed that different funding scenarios could be changed based on priority of the Board and for other funding methods, i.e. School Bonds. He also noted the financial debt model was separate from the Board's annual Capital Improvement Plan.

Commissioner Palmer asked about the Cares Funding for public schools. Ms. York stated she could bring an update to the Board about the School's distribution of the Cares Funding. She added that Person County also received Cares Funding for COVID-19 related expenses, such as salaries, equipment and operational items for local departments.

Finance Director, Amy Wehrenberg stated she was available for questions and was pleased for the financial advisors introduction to the Board of the financial model which could provide insight especially when a large project was requested of the County and deemed critical noting the models would provide the Board with insight and information related to affordability.

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#### **PERSON COUNTY FIRE DISTRICTS MAP UPDATE:**

Due to the decertification of the Woodsdale Volunteer Fire Department, effective March 1, 2021, there was a need to redraw fire district boundary lines. Fire Marshal, Keith Duncan stated as staff worked on a new map, staff and fire officials identified opportunities to align fire insurance district lines with response district lines, which have been maintained separately. After many meetings involving all fire departments in Person County, Mr. Duncan presented an updated Fire Districts Map that included the following:

- Adjusted fire district boundary lines to follow parcel lines (whole parcels are no longer split between two different fire districts),
- Moved parcels to lower ISO-rated districts to the extent possible,
- Given a precise parcel address for the 9-1-1 database, and
- Made future changes easier to implement.

Mr. Duncan noted for property owners that reside within five to six road miles to a Volunteer Fire Department (VFD), the ISO fire rating would be a 9s; for those outside the six road mile radius, the ISO fire rating is a 10. Steps were taken to insure all property owners had some coverage when developing the fire district map to avoid having residents within a ISO fire rating 10 area. He further noted that residents within the Timberlake VFD and the Semora VFD, the ISO fire rating was lowered to a 4 due to certifications both fire departments accomplished. Mr. Duncan said that Hurdle Mills VFD, Allensville VFD and rural district Roxboro Fire Department will have inspections completed in July for consideration for its fire rating to be lowered.

Mr. Duncan said the new fire district map assigns a portion of the former Woodsdale fire district to Triple Springs VFD and a portion to the rural district Roxboro Fire Department. Staff recommended providing an additional allocation of fire district tax funds to each of these fire departments to recognize the additional responsibilities associated with expanded coverage. If approved, Mr. Duncan will register the new map with the Office of State Fire Marshal (Ratings and Inspection Department) as the official map for ISO grading for Person County.

Assistant County Manager, Katherine Cathey stated there was \$45,769 remaining in the Fire District Tax Fund unallocated line item for Fiscal Year 2021. From these funds, Ms. Cathey recommended funding an additional \$22,000 to Triple Springs VFD, which will assume a new satellite station (former Woodsdale Boston Road station, vehicle and equipment), and a larger response area, and \$10,000 to the rural district Roxboro Fire Department, which will also assume a larger response area.

Mr. Duncan told the group that the Woodsdale VFD Shiloh station remained under the control of the Woodsdale VFD Board; once the Woodsdale VFD was clear of debt, the plan is that the Woodsdale VFD would be dissolved.

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Vice Chairman Puryear requesting a current Fire District Map that included the ISO fire ratings.

A **motion** was made by Commissioner Sims and **carried 5-0** to approve additional funding in the amount of \$22,000 for Triple Springs VFD and \$10,000 for the City of Roxboro rural district from FY2021 fire district tax funds.

A **motion** was made by Commissioner Sims and **carried 5-0** to approve the new map as the official Person County Fire Districts Map, as presented.

#### **BROADBAND UPDATE FROM LUMEN (CENTURYLINK):**

Assistant County Manager, Katherine Cathey introduced Mr. Derek Kelly, Government Affairs Director for Lumen (CenturyLink) to share a presentation on their current services and potential expansion plans in Person County.

Mr. Kelly commented that the FCC map shows Person County well served by at-large. He said the next generation of maps are forthcoming and will be even more accurate. Chairman Powell said that CenturyLink has been very important part of the growth in Person County and critical to economic development. He took issue with the comment that Person County looked well served noting the many phone calls he receives from underserved or unserved residents. Mr. Kelly explained that connection pre-COVID-19 looked very different and was deemed sufficient; however, the pandemic caused students, teachers, working parents, businesses to increase the demand that has resulted in less than sufficient services. Mr. Kelly noted that should residents not be located within 3,500 feet to the stationed equipment, services decrease especially where multiple devices in a home were being used at the same time. While coverage in Person County may seem pretty well covered, the speed of services are not meeting the demand.

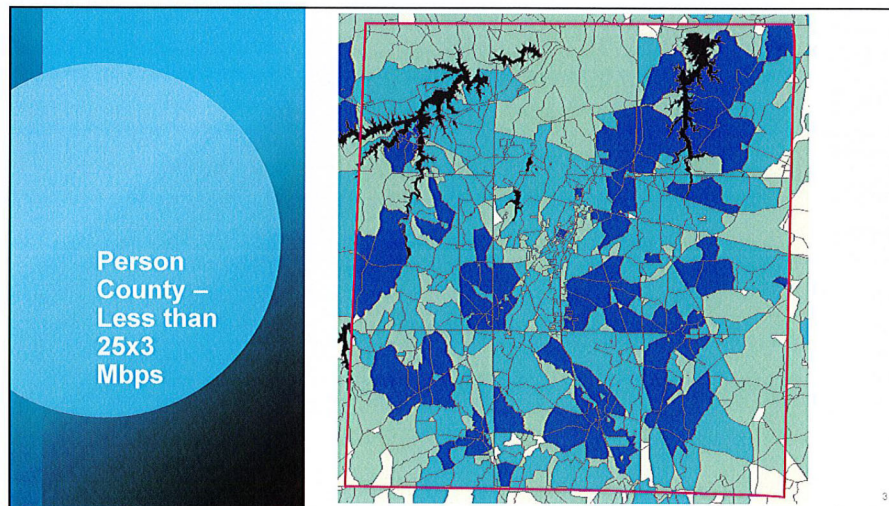
Commissioner Palmer asked Mr. Kelly about the different companies and which was best to have to which Mr. Kelly said it was dependent upon the location and that it would take all technologies to have services in all homes. Mr. Kelly stated the Rural Digital Opportunity Fund (RDOF) to expand services, census blocks were auctioned and Spectrum was the largest winner in NC.

## Person County Commissioner Meeting

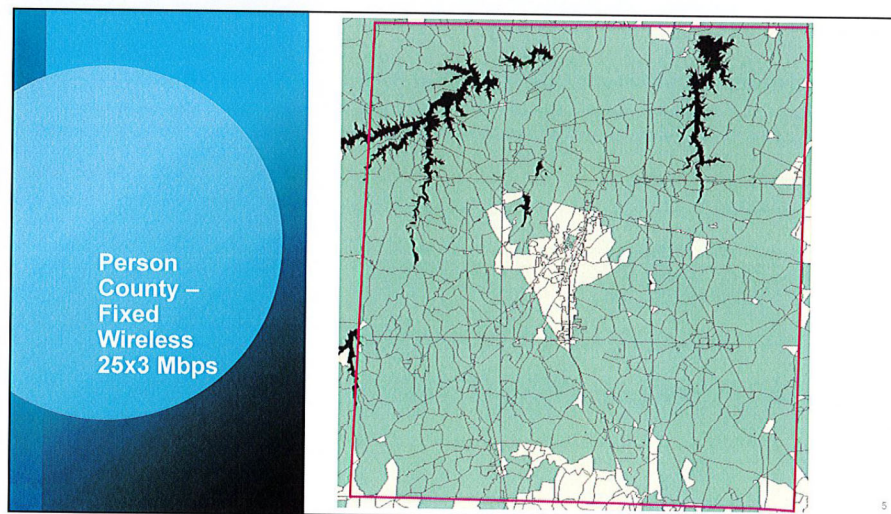
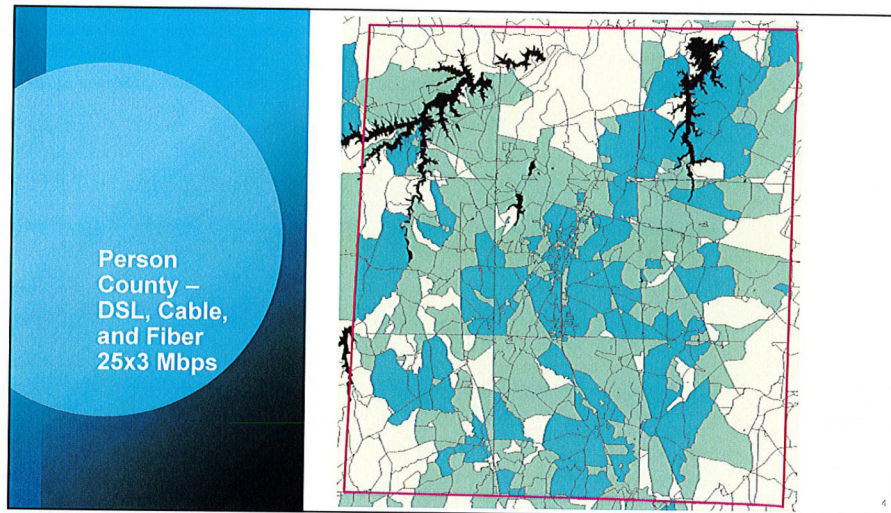
- Broadband State of the County
- Rural Digital Opportunity Fund (RDOF)
- Growing Rural Economies with Access to Technology (G.R.E.A.T. Grant)
  - Overview
  - Challenges
- Questions

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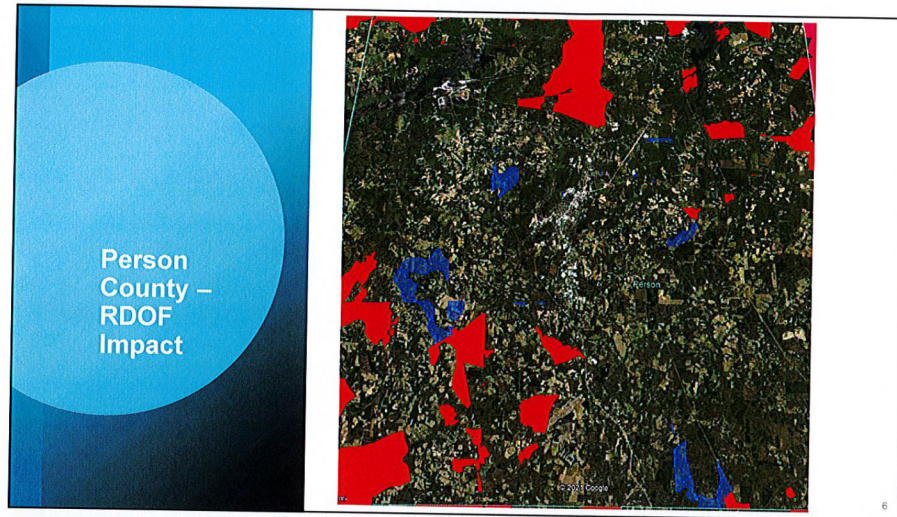








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### **REQUEST TO PURCHASE NEW VOTING EQUIPMENT:**

County Manager, Heidi York stated the Person County Board of Elections requested to purchase a new voting system. Ms. York noted the current system was purchased in 2006 and was approaching the end of its expected useful life; this system is no longer produced, making the purchase of parts difficult. Ms. York said the total purchase price was \$58,599 and includes 15 Express Vote machines and Election Ware computer, which are ADA compliant. Ms. York noted funding for this purchase could come from the available Help America Vote Act (HAVA) funds in the amount of \$36,051. These available funds must be appropriated by June 30, 2021. The remaining balance of \$22,548 would require an appropriation from the County's Fund Balance.

Elections Deputy Director, Cindi Jacobs requested the Board to approve the request to purchase voting equipment and appropriate \$36,051 from HAVA funds and \$22,548 from Fund Balance. Ms. Jacobs said that four out of five members of the Board of Elections were present in the audience, should anyone have any questions. Ms. Jacobs stated the have hosted two demonstrations, one online and the other was in-person of the new voting equipment.

A **motion** was made by Commissioner Sims and **carried 5-0** to approve the request to purchase voting equipment and appropriate \$36,051 from HAVA funds and \$22,548 from Fund Balance, as presented.

### **REVISED 2020-2021 BUDGET ORDINANCE:**

Finance Director, Amy Wehrenberg stated the implementation of new accounting standards effective for Fiscal Year 2021 required numerous changes in the fiduciary reporting for North Carolina local governments. For Person County, Ms. Wehrenberg said this presented the need to reclassify some activities currently reported as fiduciary to proprietary funds, and thereby revisions to the current fiscal year's Budget Ordinance. Ms. Wehrenberg explained two existing fiduciary funds met the requirements under the new guidance that will now cause these to be reported as special revenue funds. Fiduciary funds are not budgetary funds, and are not included in the County's annually adopted budget. Ms. Wehrenberg noted that as these two funds have been identified as non-fiduciary funds under the new guidance, it is now necessary to convert them to budgetary funds. The expenditures for these funds are 100% sourced with revenues that do not require local funding. Therefore, the Revised Budget Ordinance included some language in Section 31 that will provide the Finance Director with authorization to amend the budget for these two funds as necessary in order to stay within budgetary compliance throughout the year and at fiscal year-end.

In addition to these changes, Ms. Wehrenberg reported the need to insert an informational section related to Fire Tax that was erroneously omitted back in July 2020 when the absence and lack of access to computer files required the re-creation of this document as a result of the County's Cyber event. Although the omission of this information had no effect on the accuracy and relevance of Fire Tax approval within the Budget Ordinance, Ms. Wehrenberg wanted to take this opportunity to include this supplemental information as was originally intended.

As discussed above, Ms. Wehrenberg highlighted in the Revised 2020-2021 Budget Ordinance and are summarized below:

- Addition of two Special Revenue Funds:
  - DSS Representative Payee Fund (Sections 8 & 9)
  - Sheriff's Execution Fund (Sections 12 & 13)
- Insertion of Fire Tax supplemental information (Section 27)
- Budget authorization to Finance Director (Section 31)

Ms. Wehrenberg requested the Board to adopt the 2020-2021 Budget Ordinance as revised and recommended.

A **motion** was made by Commissioner Sims and **carried 5-0** to adopt the revised 2020-2021 Budget Ordinance as presented.

**PERSON COUNTY,  
NORTH CAROLINA**

**2020-2021**

**BUDGET ORDINANCE**

**BE IT ORDAINED** by the Board of Commissioners of Person County, North Carolina (the "Board"):

**Section 1.** The following amounts are hereby appropriated in the General Fund for the operation of the county government and its activities for the fiscal year beginning July 1, 2020 and ending June 30, 2021, in accordance with the chart of accounts heretofore established for this county and by function as listed below:

<b>EXPENDITURES</b>	<b>AMOUNT</b>	<b>PERCENT OF BUDGET</b>
General Government	\$ 7,869,083	12.7%
Public Safety	14,837,251	24.0%
Transportation	1,206,485	2.0%
Human Services	14,147,715	22.9%
Education	11,757,077	19.0%
Environmental Protection	182,584	0.3%
Economic and Physical Development	1,262,386	2.0%
Culture and Recreation	1,999,324	3.2%
Self-Funded Health Insurance	4,201,175	6.8%
Transfers to Other Funds and Component Unit	3,894,484	6.3%
Contingency	385,220	0.6%
<b>TOTAL GENERAL FUND APPROPRIATIONS</b>	<b>\$ 61,742,784</b>	<b>100.0%</b>

**Section 2.** The appropriations to the Board of Education for current expense, firstly, shall be made from any funds that are dedicated to the use of the schools and secondly, shall be made from general county revenues to the extent necessary and for capital expenditures shall be by project, as listed in the categories in the budget of the Board of Education, to the extent of the amount available for capital appropriations. Capital outlay will be distributed on a requisition basis as expenditures are incurred. Documentation of expenditures must be submitted to the Person County Finance Office in such form as they prescribe prior to reimbursement.

The appropriation of state funds from the State Library of North Carolina shall be used exclusively for operating expenditures of the Person County Public Library.

The appropriations made and revenues estimated hereafter shall be for the fiscal year beginning July 1, 2020 and ending June 30, 2021.

**Section 3.** It is estimated that the following revenues will be available in the General Fund:

REVENUES	AMOUNT	PERCENT OF BUDGET
Ad Valorem Taxes	\$ 32,984,615	53.4%
Local Option Sales Taxes	7,232,304	11.7%
Other Taxes	181,500	0.3%
Licenses and Permits	712,900	1.2%
Intergovernmental Revenues	7,977,071	12.9%
Charges for Services	8,194,843	13.3%
Other Revenues	307,551	0.5%
Transfers from Component Unit	253,400	0.4%
Fund Balance Appropriated	3,898,600	6.3%
<b>TOTAL GENERAL FUND REVENUES</b>	<b>\$ 61,742,784</b>	<b>100.0%</b>

**Section 4.** The following amounts are hereby appropriated in an Internal Service Fund for the payment of employee claims and administration expenses associated with the County's Self-Funded Health Insurance Program:

Self-Funded Health Insurance Costs	\$ 4,201,175
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**Section 5.** It is estimated that the following revenues, including the receipt of premium payments from the County for its employees and from the employees for their dependents, will be available in the Self-Funded Health Insurance Fund:

Charges for Services	\$ 3,745,961
Other Revenues	455,214
<b>Total</b>	<b>\$ 4,201,175</b>

**Section 6.** The following amounts are hereby appropriated in the Capital Investment Fund (CIF) for the County's debt service payments, regular capital outlay for Person County Schools and Piedmont Community College, lottery revenues and payments associated with the Schools, and general fund transfers supporting these costs as well as the capital improvement projects that are reported in the CIP Capital Project Fund:

Debt Service	\$ 2,069,717
Issuance Cost	693,200
Schools Capital Outlay	436,000
Schools Lottery Expense	200,000
PCC Capital Outlay	53,600
Transfer from CIP Fund	386,592
<b>Total</b>	<b>\$ 3,839,109</b>

**Section 7.** It is estimated that the following revenues will be available in the Capital Investment Fund (CIF) for funding the County's debt service, Person County Schools and Piedmont Community College regular capital expense, lottery projects for the Schools, and Capital Improvement Projects:

Lottery Proceeds	\$ 200,000
Other Revenues	56,669
Transfer from General Fund	1,428,517
Transfer from Debt Service Fund	1,000,000
Sales Tax Transfer from General Fund for Schools	1,153,923
<b>Total</b>	<b>\$ 3,839,109</b>

**Section 8.** The following amount is hereby appropriated in the Social Services Representative Payee Fund, to manage expenditures with funds belonging to individuals who are unable to maintain those funds themselves:

Representative Payee Funds	\$ 400,000
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**Section 9.** It is estimated that the following revenues will be available in the Social Services Representative Payee Fund:

SSA/SSI-Rep Payee Funds	\$ 399,950
Interest Earnings	50
<b>Total</b>	<b>\$ 400,000</b>

**Section 10.** The following amounts are hereby appropriated in the Person Industries & PI Material Recovery Facility (MRF) Fund:

PI-Community Rehabilitation Program Services	\$ 2,701,301
Material Recovery Facility	698,566
<b>Total</b>	<b>\$ 3,399,867</b>

**Section 11.** It is estimated that the following revenues will be available in the Person Industries & PI Material Recovery Facility (MRF) Fund:

Intergovernmental Revenues	\$ 559,900
Charges for Services	2,272,400
Other Revenues	6,100
Transfer from General Fund PI-Community Rehabilitation Program Services	229,701
Material Recovery Facility	331,766
<b>Total</b>	<b>\$ 3,399,867</b>

**Section 12.** The following amounts are hereby appropriated in the Sheriff's Execution Fund, which accounts for collections by the Sheriff of small claims remitted to the Clerk of Court and collection of commissions remitted to the County:

Sheriff's Execution Claims	<u>\$ 100,000</u>
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**Section 13.** It is estimated that the following revenues will be available in the Sheriff's Execution Fund:

Charges for Services	<u>\$ 100,000</u>
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**Section 14.** The following amounts are hereby appropriated in the Fire Tax District Fund, which was established to provide for all operating and capital funding of the local volunteer fire and rescue departments:

Fire Tax District	<u>\$ 1,049,371</u>
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**Section 15.** It is estimated that the following revenues will be available in the Fire Tax District Fund:

Ad Valorem Taxes	<u>\$ 1,049,371</u>
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**Section 16.** The following amounts are hereby appropriated in the Emergency Telephone System Fund:

Emergency Telephone System	<u>\$ 626,806</u>
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**Section 17.** It is estimated that the following revenues will be available in the Emergency Telephone System Fund:

E-911 State Surcharges	<u>\$ 626,806</u>
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**Section 18.** The following amounts are hereby appropriated in the Revolving Loan Fund, which was established to provide loans to small businesses to promote economic development:

Reserved for Small Business Loans	<u>\$ 5,454</u>
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**Section 19.** It is estimated that the following revenues will be available in the Revolving Loan Fund:

Other Revenues	<u>\$ 5,454</u>
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**Section 20.** The following amounts are hereby appropriated in the Economic Catalyst Fund for future industrial incentives and expansion efforts of current industry facilities:

Industrial Recruitment Incentives	\$ 929,500
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**Section 21.** It is estimated that the following revenues will be available in the Economic Catalyst Fund:

Transfer from General Fund	\$ 704,500
Fund Balance Appropriation	225,000
<b>Total</b>	<b>\$ 929,500</b>

**Section 22.** The following amounts are hereby appropriated in the Water and Sewer Construction Reserve Fund for the future funding of water and sewer construction:

Reserve for Water and Sewer Construction	\$ 40,000
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**Section 23.** It is estimated that the following revenues will be available in the Water and Sewer Construction Reserve Fund:

Shared Fees with City of Roxboro	\$ 40,000
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**Section 24.** The following amounts are hereby appropriated in the Stormwater Fund for funding the Stormwater Management Utility's responsibilities for protection, restoration, and management of stormwater quality:

Reserve for Stormwater Utility Management	\$ 250,000
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**Section 25.** It is estimated that the following revenues will be available in the Stormwater Fund for funding the Stormwater Management Utility's responsibilities for protection, restoration, and management of stormwater quality:

Stormwater Fees	\$ 250,000
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**Section 26.** There is hereby levied a tax at the rate of \$0.72 per \$100 valuation of property listed for taxes as of January 1, 2020 for the purpose of raising revenues from property taxes included in "Ad Valorem Taxes" in the General Fund in Section 3 of this Ordinance.

This rate of tax is based on an estimated total valuation of property for the purpose of taxation of \$4,225,000,000 and an estimated collection rate of 97.50%. In addition to these revenues, the County is also including registered motor vehicle tax revenues collected by the North Carolina License Plate Agencies, which is budgeted to generate \$2,809,095 in revenues.

**Section 27.** There is hereby levied a tax at the rate of \$0.0275 per \$100 valuation of property listed for taxes as of January 1, 2020 for the purpose of raising revenues from fire service protection district taxes included in "Ad Valorem Taxes" in the Fire Tax District Fund in Section 15 of this Ordinance.

This rate of tax is based on an estimated total valuation of property for the purpose of taxation of \$3,587,000,000 and an estimated collection rate of 97.50%. In addition to these revenues, the County is also including licensed motor vehicle tax revenues collected by the North Carolina License Plate Agencies, which is budgeted to generate \$85,207 in revenues.

**Section 28.** Charges for services and fees by County departments, excluding those established by state statute, are levied in the amounts set forth in the attached Fee Schedule. (Attachment 1)

**Section 29.** The budget officer is hereby authorized to transfer appropriations within a fund as contained herein under the following conditions:

- a. She may transfer amounts between objects of expenditure within a department and between departments within the same functional area without limitation and without a report to the Board of Commissioners.
- b. She may transfer amounts up to \$10,000 between functional areas of the same fund with an official report on such transfers at the next regular meeting of the Board of Commissioners.
- c. She may not transfer any amount between funds or from the regular contingency appropriation within any fund, except that she may transfer any amount from the Information Technology Systems Fund for technology-related items and the Fleet Management Fund for the appropriation of vehicles without a report to the Board of Commissioners.

**Section 30.** The County Manager, or her designee, is hereby authorized to execute contractual documents under the following conditions:

- a. She may execute contracts for construction repair projects which do not require formal competitive bid procedures.
- b. She may execute contracts for: (1) purchase of apparatus, supplies and materials, or equipment which is within budgeted department appropriations, (2) leases of personal property for a duration of one year or less and within budgeted departmental appropriations, and (3) services which are within department appropriations.
- c. She may execute grant agreements to or from public and nonprofit organization that are within budgeted appropriations, unless grantor organization requires execution by the Board of Commissioners.
- d. She may execute contracts, as the lessor/lessee of real property, which are of one year duration or less, if funds are within budgeted appropriations.
- e. She may execute contracts for consultant services, which consultant fees are estimated to be less than \$10,000 and if funds are within budgeted appropriations.

**Section 31.** The Finance Director may make cash advances between funds during the fiscal year without reporting to the Board of Commissioners. Any advances outstanding at fiscal year-end must be reported to the board except those involving funds where grant revenues or unreimbursed debt proceeds arise from prior county expenditures. The Finance Director may also approve amendments at the end of the fiscal year in order to maintain budgetary compliance for the Social Services Representative Payee Fund and Sheriff's Execution Fund without a report to the Board of Commissioners.

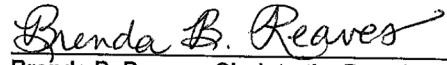
**Section 32.** Copies of the Budget Ordinance shall be furnished to the Budget Officer, the Finance Director, and the Tax Administrator for direction in the carrying out of their duties.

Adopted this the 15<sup>th</sup> date of June 2020.

Amended this the 19<sup>th</sup> date of April 2021.



  
Gordon Powell, Chairman  
Person County Board of Commissioners

  
Brenda B. Reaves, Clerk to the Board

## **AUDIT CONTRACT FOR LEASE CONVERSION IMPLEMENTATION:**

Finance Director, Amy Wehrenberg requested action on a contract to engage our current financial audit firm, Elliott Davis, LLC, to provide additional services outside of the scope of the County's annual audit contract. This will involve assistance with the implementation of a new accounting standard (Statement No. 87) required by the Government Accounting Standards Board (GASB), changing the way that leases are reported in the County's Fiscal Year 2022 audit report.

Ms. Wehrenberg stated the County currently has 36 lease agreements that auditors will review and determine if they meet the reporting requirements under this new standard. This review will include inspection of the specific terms and structure, implementation into the auditor's model, calculation and identification of how these impact the County's financial statements, and proposals of the necessary journal entry adjustments required to report these leases appropriately in the County's audit report.

Because this firm is performing the County's annual financial statement audit, Ms. Wehrenberg stated it would be more efficient to have them perform this lease conversion process as the County's auditors are already familiar with the County's account structure and may minimize any timing issues that may impact the financial audit schedule. The State Auditor requires that this contract be approved as a separate engagement from the regular financial audit. Ms. Wehrenberg presented a contract for the Board's consideration to engage the current auditors to perform these additional services for a cost of \$13,200. Ms. Wehrenberg explained this fee was based on their estimated time required by individuals assigned to assist the County with the evaluation of the leases, and will be billed on an interim basis as the work is performed. Ms. Wehrenberg recommended that this expenditure be funded from undesignated contingency funds (leaving a remaining balance of \$15,671 for future unanticipated costs).

Ms. Wehrenberg requested the Board to approve an audit contract for lease conversion implementation, as recommended.

Commissioner Gentry asked for the timeline for completion to which Ms. Wehrenberg said the process to review 36 leases would take approximately three months noting she wanted to implement this new process as the County would be operating under the new standard starting July 1, 2021. Commissioner Sims asked if the County Attorney had reviewed the contract for lease conversion to which Mr. Ellis Hankins, County Attorney replied affirmatively.

A **motion** was made by Vice Chairman Puryear and **carried 5-0** to approve the audit contract for lease conversion, as presented.

**April 19, 2021**

**CHAIRMAN'S REPORT:**

Chairman Powell had no report.

**MANAGER'S REPORT:**

County Manager, Heidi York reported the following meetings:

- 1) The Person County Business and Industrial Center will hold a Special Called Meeting on April 20, 2021 starting at 4:00pm. The meeting will be held in the Economic Development Board Room in the Person County Transit and Development Building located at 303 S. Morgan Street, Roxboro.
- 1) A possible majority of the Board of Commissioners may attend the Roxboro-Person County Homebuilders Association Special Meeting on April 20, 2021 starting at 7:00pm at the Old Country Club Steakhouse located at 555 Community House Road, Roxboro.

**COMMISSIONER REPORT/COMMENTS:**

Vice Chairman Puryear nor Commissioner Palmer had a report.

Commissioner Gentry reported the Economic Development Task Force had met and reviewed two economic development models and would continue to meet on Thursdays at 4:00pm via Zoom. Commissioner Gentry asked for an update from the Planning Director related to the UNRBA storm water project options.

Commissioner Sims extended appreciation for the festival held in the Uptown Roxboro area noting the Food Truck Rodeo brought many people to Uptown area.

**ADJOURNMENT:**

A **motion** was made by Commissioner Palmer and **carried 5-0** to adjourn the meeting at 10:55am.

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Brenda B. Reaves  
Clerk to the Board

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Gordon Powell  
Chairman