

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

**FEBRUARY 22, 2022**  
**OTHERS PRESENT**

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Gordon Powell  
C. Derrick Sims  
Kyle W. Puryear  
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 Tuesday, February 22, 2022 at 9:00am. This meeting was set as the Board's annual retreat focusing primarily on the Fiscal Year 2022-2023 Budget and/or any other topics as deemed appropriate. The Retreat location was at the Kirby Cultural Arts Complex Upstairs Main Hall at 213 North Main Street, Roxboro, NC.

Chairman Powell called the meeting to order.

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

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

**GETTING STARTED:**

County Manager, Heidi York stated the budget retreat kicks off the budget preparation for upcoming fiscal year. She noted it is an informal setting for staff to share information and the Board to discuss its goals and priorities.

**UNDERSTANDING OUR COUNTY RESPONSIBILITIES:**

County Attorney, Ellis Hankins provided an overview of how the Board of Commissioners does the public's business through his presentation titled Understanding Our County Responsibilities. Mr. Hankins included significant statutes and requirements for the Board as well as highlighted the Person County Board of Commissioners' Rules of Procedure and Code of Ethics. His presentation follows:

# Understanding Our County Responsibilities



Person County Board of Commissioners Retreat  
February 22, 2022  
Ellis Hankins, County Attorney

## Topics

- How the Board of Commissioners does the public's business
- Significant statutes and requirements
- Board Rules of Procedure (adopted 2007, last revised 3/2020)
- Code of Ethics, Person County Board of Commissioners (11/2010)
- Respective roles and responsibilities of Board and County Manager
- Responsibilities of Clerk to the Board
- Responsibilities of the County Attorney
- County ordinances and enforcement
- Open Meetings Law and Public Records Law

"Something horrible has happened to civility. We can no longer hold political discussions without screaming at each other, so our democracy is dying. We can no longer look at strangers without suspicion and even hostility, so our social life is dying. We can no longer hold public conversation about morality without trading vicious accusations, so our moral life is dying.

All the skills of living a common life--what Alexis de Tocqueville called 'the etiquette of democracy,' are collapsing around us, and nobody seems to know how to shore them up again. Civility is disintegrating because we have forgotten the obligations we owe to each other, and are awash instead in a sea of self-indulgence.

The true test of civility is whether out of love and concern for others, we will discipline our individual desires and work for the common good."

Professor Stephen L. Carter, Yale Law School

*Civility: Manners, Morals, and the Etiquette of Democracy (1999)*



Public corporation,  
board of directors

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## Meetings



Procedures



Board Rules of  
Procedure



Quorum and voting

Adoption of ordinances

Territorial jurisdiction of ordinances, enforcement

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Board determines organization and management  
of county government

County-Manager plan

Respective roles and responsibilities of Board and  
County Manager



RESPONSIBILITIES OF  
THE CLERK TO THE  
BOARD



RESPONSIBILITIES OF  
THE COUNTY ATTORNEY



Public comment period during  
regular meetings

One way communication

Applicable Board Rules

Powers and responsibilities of  
your Board chair



CODE OF ETHICS



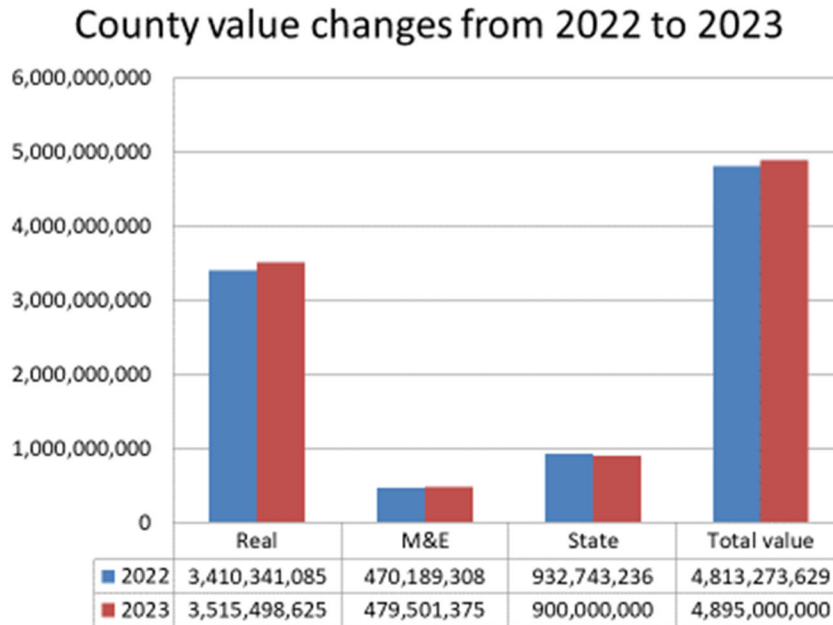
ETHICS EDUCATION  
PROGRAM REQUIRED

Open Meetings Law

Public Records Law

## PROPERTY TAX REVENUE PREVIEW:

Tax Administrator, Russell Jones shared the following presentation for the County's Property Tax Revenue Preview:



Mr. Jones said the 2022 budget was projected at \$4.72B with the actual \$4.813B, over by \$93M or over by 2%. He noted real property increased from \$3.41B to \$3.515B, or an increase by \$105M or 3%. Machinery & Equipment went up from \$470M to \$479M due to depreciation (normal loss of 6%), but offset by new investments. Mr. Jones further noted that the loss of value due to Cogentrix, also known as Capital Power or Epcor closing was off set with \$4M of additional equipment at Polywood.

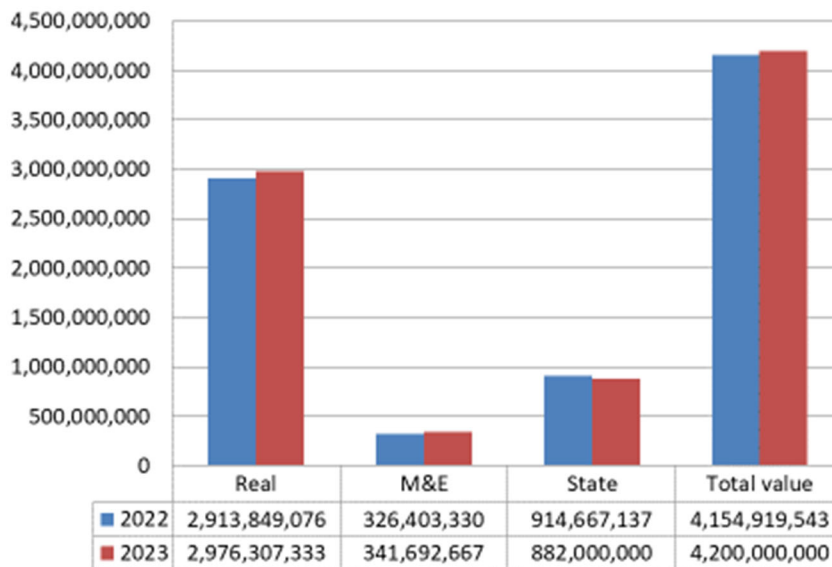
Mr. Jones stated the State appraised properties came in at \$932M for 2022, which was the highest ever noting he had budgeted \$900M for 2023, or a decrease of \$32M or down by 3.5%. This equaled to be 18.5% of the County's valuation. He said the total for 2022 was \$4.813B, estimated conservatively for 2023 at \$4.895B, an increase of \$82M or an increase of 1.7%.

Mr. Jones noted the average growth over the last eight years, not including reappraisal, was 1.26%.

Mr. Jones estimated DMV at \$425M (up from \$400M) in MOTV.

February 22, 2022

### Fire District value changes from 2022 to 2023



Mr. Jones that the fire tax valuations does not include with the City. He noted the 2022 budget was \$4.035B with the actual \$4.155B, an increase of \$120M or over by 2.89%.

He noted real property increased from \$2.91B to \$2.976B, or an increase by \$62M or 2.22%. Machinery & Equipment went up from \$326M to \$341M due to depreciation but offset by new investments, an increase of \$15M or up by 4.5%.

Mr. Jones said the State appraised property was \$914M for 2022 (highest ever) noted he budgeted \$882M for 2023, or a decrease of \$32M or down by 3.5%. This would be 21.17% of the County's valuation.

Mr. Jones stated the total for 2022 was \$4.155B and he estimated for 2023 at \$4.2B, an increase of \$46M or increase by 1.1%.

Mr. Jones estimated DMV at \$350M (up from \$325M) in MOTV.

## Changes in State Appraised Values

Fiscal Year	All State Appraised	Coal Plants	Change from previous
2023-estimated	900,000,000	836,431,820	-32,743,236
2022	932,743,236	869,175,056	+12,509,677
2021	920,233,559	856,874,916	+74,544,809
2020	845,688,750	782,184,826	-31,901,120
2019	877,589,870	813,546,061	-10,681,099
2018	888,270,969	821,241,443	-780,125
2017	889,051,094	824,174,611	+23,627,431
2016	865,423,663	738,942,889	+16,591,851

Mr. Jones said 2023 estimates at \$900,000,000, which represents 18.38% of total value for Person County (\$4,895,000,000) as compared to last year at \$932,743,236 which represented the County's total value of \$4,813,273,629 or 19.38%.

## Changes in State Appraised Values



February 22, 2022

### For next year, what will one penny generate?

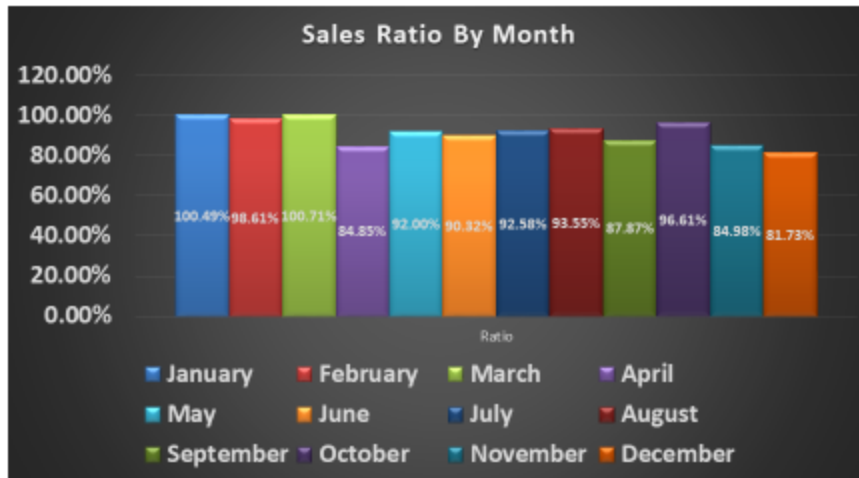
Collection Rate	County	Fire
97.50 %	\$ 519,741	\$ 444,483

Mr. Jones stated for the upcoming fiscal year the value of one penny would be \$519,741 noting last year one penny was valued at \$495,097, which reflects an increase of \$24,644.

Person County's tax rate is .72. Mr. Jones noted the collection rate of 97.5%, along with the DMV collection rate of 99.95%.

Mr. Jones noted the value last year for one penny for fire was \$420,826 and is projected to increase by \$23,657 to \$444,483. The County's fire tax rate is .0275 with a collection rate of 97.5%, along with the DMV collection rate of 99.95%. Mr. Jones further noted the 2.75 fire tax rate yields \$1,222,328.

## Reappraisal for 2025?



Mr. Jones stated the 2021 annual sales ratio ended up at 92.71% and January 2022 at 81%. He noted the general statute mandates that the county give the same tax discounts to state appraised properties when sales ratio fall below 90%. For this reason, Mr. Jones introduced the possibility of a county revaluation in 2025, which means he would request funding in the upcoming budget for flyover aerial images to be completed in March 2023. He said based on market fluctuations a decision would be required by the Board to proceed with revaluation with the fieldwork or to delay revaluation by one year in September 2023.

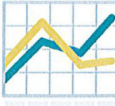
County Manager, Heidi York added that the county sets aside funding annually in preparation for the associated costs of revaluation. Revaluation is required every eight years or sooner if the sales ratio falls below 90%.



## **MID-YEAR FISCAL REVIEW:**

Finance Director, Amy Wehrenberg shared the following presentation for her Mid-Year (December to December) Fiscal Review:


2/22/2022



### Person County Mid-Year Fiscal Review

Person County Board of  
Commissioners Annual Retreat  
February 22, 2022

Amy Wehrenberg, Finance Director



### Discussion Summary

- Revenues: Mid-Year Comparison
- Sales Tax Distribution
- Expenditures: Mid-Year Comparison
- Debt Service
- Unassigned Fund Balance
- Audit Challenges
- Summary and Trends

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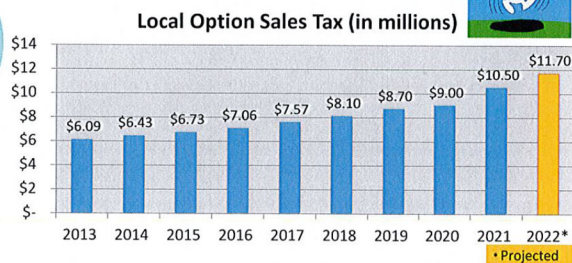
## Revenues: Mid-Year Comparison

REVENUES	Incr (Decr)	% Change
Ad Valorem Taxes	2,780,682	12.9%
Sales & Other Taxes	359,795	10.1%
Fees & Licenses	(175,658)	-4.4%
State & Federal Funding	(164,554)	-4.0%
Interest Earnings	1,320	100.0%
Other Revenues	77,586	11.9%
<b>TOTAL REVENUES</b>	<b>2,879,170</b>	<b>8.5%</b>

Revenues are showing a significant increase due to receipt of additional Property & Sales Tax revenues.

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## Sales Tax Distribution



Although Property Tax is our primary contributor for the large increase in revenues, sales tax is also reporting higher by 14% for the five months compared to last year. Based on this trend, we anticipate sales tax to come in for a total of \$11.7M to finish out this fiscal year, an increase of \$1.2M. 4

### Expenditures: Mid-Year Comparison by expense type

EXPENDITURES	Incr (Decr)	% Change
Personnel	(539,096)	-3.9%
Operating	131,199	0.9%
Capital	(55,163)	-13.2%
Transfers to Other Funds	(469,429)	-17.7%
<b>TOTAL</b>	<b>(932,489)</b>	<b>-2.9%</b>
<b>NET CHANGE (Surplus)</b>	<b>3,811,659</b>	<b>176.2%</b>

Expenditures are down by \$932K, mostly due to reductions in Personnel costs and Transfers to Other Funds categories.

Surplus is result of large increase in revenues and decrease in expenditures.

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### Expenditures: Mid-Year Comparison by function

Increases: \$765,490		Decreases: (\$1,697,979)	
Self-Funded Health Insurance Fund (26%)	583,559	Environmental Protection (-2.1%)	(1,553)
Culture & Recreation (9%)	82,473	Public Safety (-.9%)	(63,339)
Transportation (19%)	82,376	Economic Development (-12.8%)	(73,947)
Education (.3%)	17,082	Human Services (-4.6%)	(304,554)
Largest expenditure increase is reported in Self-Funded Health Insurance Fund due to significant health claims experience.		Transfers to Other Funds (-17.7%)	(469,429)
		General Government (-16.3%)	(785,157)

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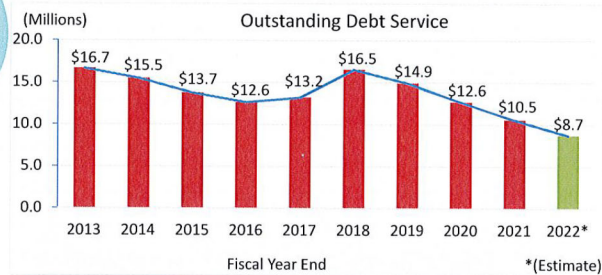
## Debt Service



<b>TOTAL OUTSTANDING DEBT:</b>	\$ 8,700,121
County (66%)	5,768,913
Schools (34%)	2,931,208
<b>BUDGET:</b>	
FY22 Debt Service Budget	1,843,566
FY23 Debt Service Budget	1,642,705
Decrease in budget from FY22 to FY23	(200,861)

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## Outstanding Debt Service Ten Year Comparison



Graph above represents County's outstanding debt service over 10 year period. Projection of \$8.7M at end of FY22 is a 17% reduction from the prior year.

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### Unassigned Fund Balance (Audited)

	2021	2020
General Fund Expenditures	61,376,734	57,429,715
Months	12	12
Estimated monthly expenditures	5,114,728	4,785,810
Unassigned FB-GF	21,726,864	17,680,799
Estimated monthly expenditures	5,114,728	4,785,810
Estimated months of available FB-GF	4.25	3.69
FB as a % of GF Expenditures	35%	31%

- o *GFOA* - recommends an available fund balance of no less than 2 months of general fund operating expenditures
- o *LGC* - recommends an available fund balance of at least 8% of general fund expenditures.
- o *Person County FB policy* - requires an available fund balance equal to or greater than 18% of general fund expenditures 9

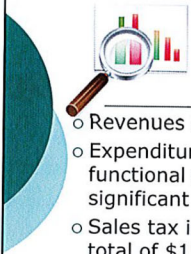
### Audit Challenges



- RFP for FY22 County audit services
- Anticipating more stringent audit process for FY22
- Large influx of new multi-year state and federal grants to be audited
- Will need to meet State's audit submittal deadlines for next four years → school debt issuances
- Staff resources: currently inadequate to maintain federal and state compliance in audit standards, grant administration, and debt management

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Ms. Wehrenberg stated the current audit firm that Person County is using is dropping government entities and the Finance Department has issued a Request for Proposals for a response deadline of February 28, 2022. She noted the worst-case scenario would be to extend for further bids or for lack of bidders, engage with the state of NC for audit services.



### Summary and Trends

- Revenues show a large increase of \$2.9M at mid-year.
- Expenditures report decreases at mid-year in most functional areas. Health Insurance claim costs reporting significant increase.
- Sales tax is projected to increase by \$1.2M, reaching a total of \$11.7 at FYE.
- Outstanding debt is \$8.7M. Budget reduction will be approximately \$201K for FY23.
- Unassigned fund balance at FYE 2021 was over 35%. Surplus at mid-year indicates another increase at FYE 2022.
- An RFP has been submitted to obtain financial audit services.
- An increase in staff resources will be necessary to manage audit, grant and debt impacts.

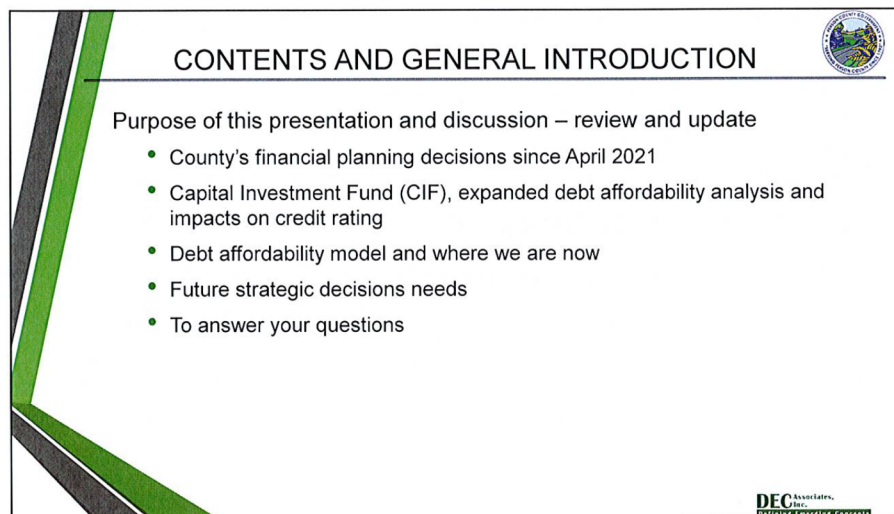
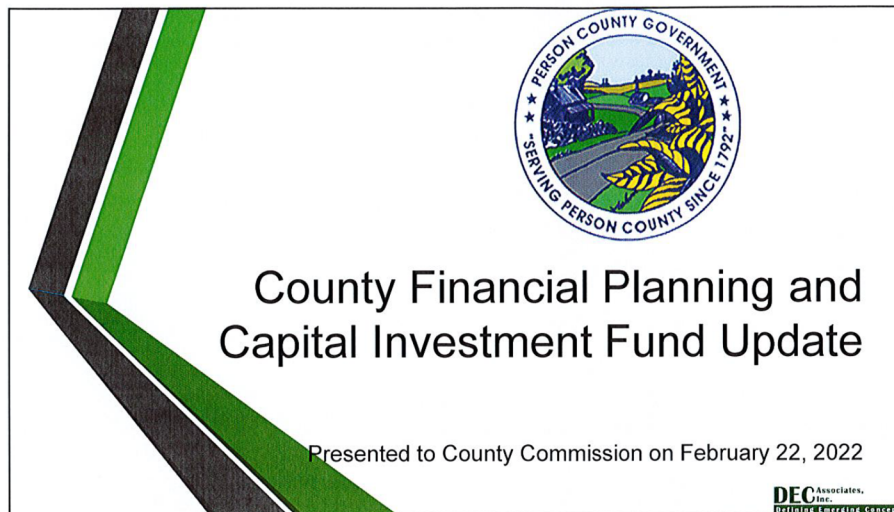
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Chairman Powell announced a brief recess for a break at 10:40am. The meeting reconvened at 10:55am.

## FINANCIAL PLAN FOR CAPITAL & DEBT FINANCING UPDATE:

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 Capital and an update on Debt Financing:

2/22/2022





## DECISIONS TO MOVE TO HIGHEST PLANNING LEVEL

Establish a CIF – to best manage and plan for community needs

- Dedicate specific revenues to capital formation
- Include all capital investments in one place – borrowed, paygo, grants, etc.
- Means to fund CIP and to calculate debt affordability

Update County comprehensive financial policies


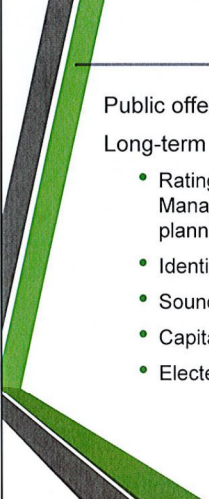
- Evaluate scope and needed elements for policy
- Delineate policies that provide basis for sound financial results and reserves

Person County – decision drivers:

- Growth and maintenance of existing assets
- Aid to increase economic development
- Ability to plan for the longer term

DECO Associates, LLC  
Defining Emerging Concepts

2



## CREDIT RATING CONSIDERATIONS

Public offering method for debt requires a rating

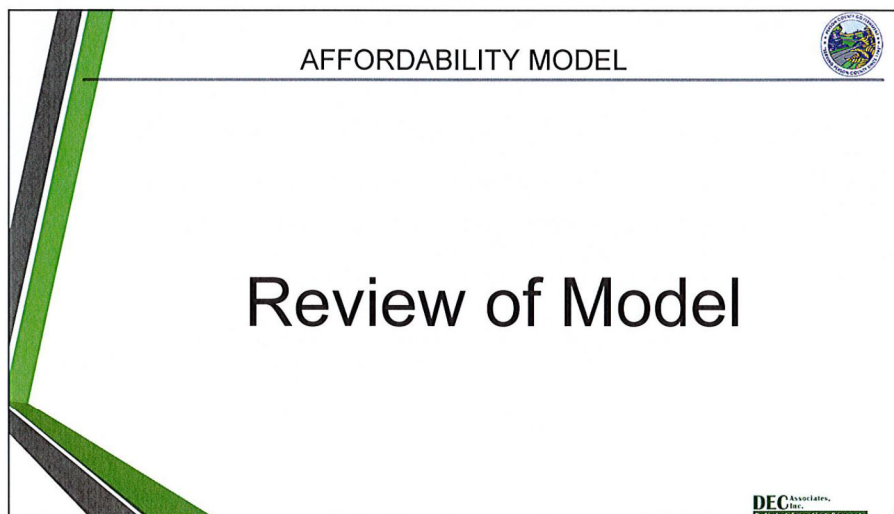
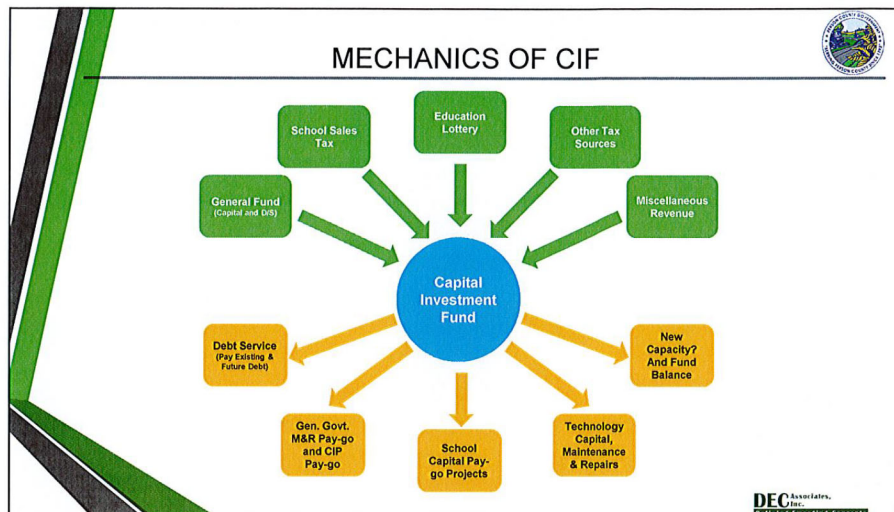
Long-term planning, CIF, financial policies – add rating strength

- Rating Agencies four specific areas – Economy (30%), Finances (30%), Management (20%), Debt (20%) – last three all impacted by financial planning
- Identify funding sources and long-term capital financial strategies
- Soundness of the financial plan
- Capital plan meet projected County needs?
- Elected officials and management “buy in” to the plan

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The Excel spreadsheet shared with the Board illustrated capacity for debt with the anticipation of \$10M issuance of debt in January-February timeframe. The Model would need to be updated with the value of a penny for next fiscal year. Mr. Douglas Carter stated \$38M was the last number received from county and school's staff.

Mr. Douglas Carter noted that \$395M in state funding has been earmarked for need-based schools; Mr. Andrew Carter said grants should be awarded in April and Person County was in the 5% match category, which could be included into the Model. Dr. Rodney Peterson, Superintendent for Person County School, who was present in the audience, stated applications capped in the amounts of \$30M for an elementary school, \$40M for a middle school and \$50M for a high school are due in March.


County Manager, Heidi York stated the County was poised to move forward with the first \$10M debt issuance however wanted to make the Board understand that \$735,000 from the General Fund or the equivalent to a 1.5-cent tax increase would be needed in June 2025.

Finance Director, Amy Wehrenberg said the \$10M debt issuance as discussed was contingent on Local Government Commission's deadline to have the audit by October 31, 2022 and to allow another two months for review prior to a debt issuance. Ms. Wehrenberg said she would be presenting to the Board financial policies that would transfer excess Fund Balance to the CIF. Mr. Douglas Carter stated updates to the Model would take place should the Board adopt the policies and enact the one-time transfer of Fund Balance to CIF as well as the new value of the penny as reported by the Tax Administrator.

Mr. Douglas Carter said they would evaluate the sales tax collection to determine if the increase in sales tax revenue was an anomaly or a new reset that may impact the Model but noted they would take the conservation approach.



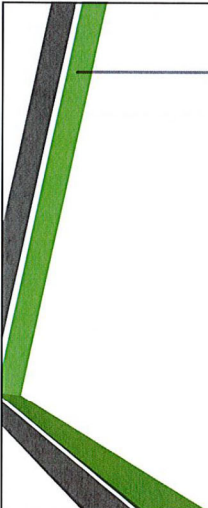
## FUTURE STRATEGIC DECISIONS




**Means to fully fund the CIF:**

- Winter issuance of Limited Obligation Bonds (LOBs) for schools
- Establish timing of future projects in spring adopted CIP
- Bridge the funding gap in the CIF – Schools request of \$38 million
  - Retain current G.F. funding level – \$735,000 increase needed to fund school requested needs – current revenues fund approx. \$20 million
  - Evaluate sales tax collections and growth to confirm increase during COVID endures
  - Move one-time revenues (e.g. land sales) to CIF
  - Unassigned Fund Balance policy?
  - Other?
- Fully review the CIF annually to determine needs are being met

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## WRAP UP



# Questions and Comments

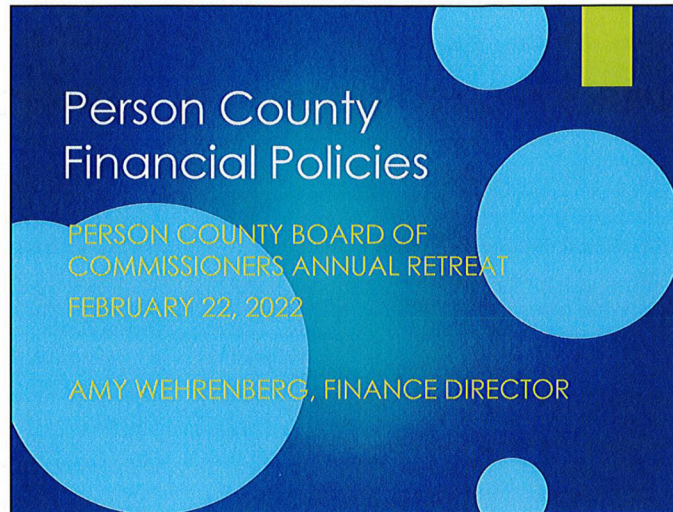
**DEC** Associates,  
Defining Emerging Concepts 7

Chairman Powell stated the Board owed it to the taxpayers to follow the Model. Ms. York stated appreciation of the partnership with the Superintendent and School's staff as well as DEC to implement the Model.

**FINANCIAL POLICIES:**

Finance Director, Amy Wehrenberg introduced new financial policies with the following presentation:

2/22/2022



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## Discussion Summary

- ▶ Budget, Accounting and Fund Reserve Policies
  - Budget Process
  - Budget Policies
  - Accounting/Financial Reporting Policies
- ▶ Policy allocation guidelines for Unassigned Fund Reserves
- ▶ Conclusion



## I. Budget Process

- ▶ Mandated dates & other key dates
- ▶ Budget Adoption
- ▶ Budget Amendment Process
- ▶ Budgetary Control



## II. Budget Policies

- ▶ Revenue & Expenditure Policies
- ▶ **Fund Balance Reserve Policy**
  - ✦ Setting minimum threshold 18%
  - ✦ Setting goal target 25%
  - ✦ Setting minimum reserve in CIF: 33% of debt service
- ▶ Other Post-Employment Benefits Policy (OPEB)
- ▶ Debt Policy
- ▶ Capital Improvement Plan

## Fund Balance Reserve Policy

"As a goal, the County will seek to establish a general fund operating reserve of twenty-five percent (25%) of yearly expenditures."

UNASSIGNED FUND BALANCE	Audited
Fiscal Year End	2021
FB as a % of GF Expenditures	35.4%



### III. Accounting/Financial Reporting Policies

- ▶ Financial Policies
- ▶ Fund Accounting
- ▶ Cash Receipts & Disbursements
- ▶ Fund Balance Allocation
  - ✦ Actions if minimum 18% threshold not met
  - ✦ Actions for excess reserve over 25% target
- ▶ Investment Policy
- ▶ Contract Administration
- ▶ Purchase Orders



### III. Accounting/Financial Reporting Policies (cont.)

- ▶ Surplus Property
- ▶ Asset Management
- ▶ Grant Applications
- ▶ Write-Off's
- ▶ Debt Setoff
- ▶ Fund Structure
- ▶ Performance Measures and Benchmarking



## Fund Balance Allocation

"Any unassigned fund balance in excess of 25% as set forth herein, shall be transferred to the Capital Investment Fund for support of future capital projects or debt service unless the Person County Board of Commissioners determines to appropriate otherwise."

UNASSIGNED FUND BALANCE	Under new policy
FYE 2021: Unassigned FB-GF	\$21,726,864
25% Target Level	15,344,184
Transfer Excess to CIF in FY22	<b>\$ 6,382,681</b>

Under the new policy, the transfer of excess fund balance reserves over the 25% targeted goal for FY21 is \$6.4M. This policy provision provides a funding strategy for support of future capital and new debt.

## Conclusion

- ▶ Policy includes a compilation of updated requirements on budget, reserve, and accounting processes
- ▶ The largest benefit: implementation and management of unassigned fund balance reserves
- ▶ New threshold and allocation guidance for fund balance reserves: Minimum (18%), Goal (25%), and CIF (33%)
- ▶ Next step after approval of policy
- ▶ Questions/comments?

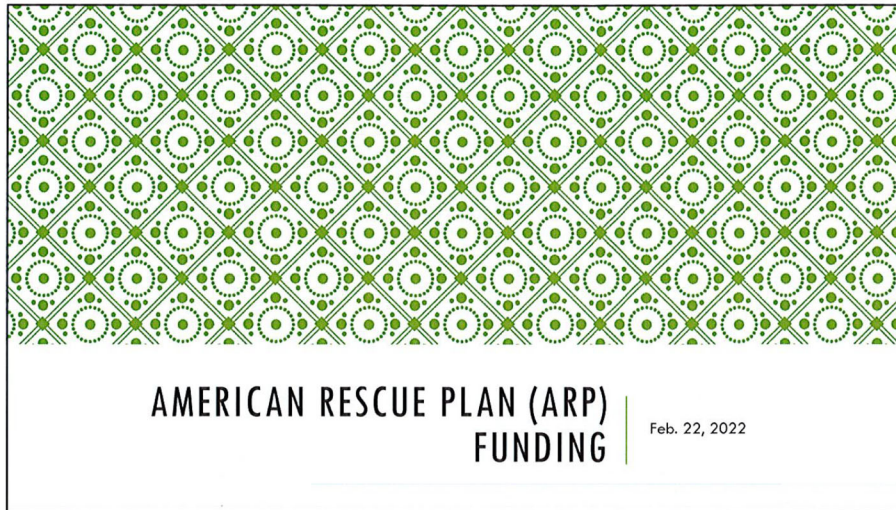
A **motion** was made by Commissioner Puryear and **carried 5-0** to approve the Budget, Accounting and Fund Reserve Policies as presented and to direct the Finance Director to include a Budget Amendment at the Board's next meeting for the \$6,382,681 to transfer from the General Fund to the Capital Investment Fund.



## AMERICAN RESCUE PLAN FUNDING:

Assistant County Manager, Katherine Cathey presented to the Board the following information on the federal funding coming to Person County and referred to as American Rescue Plan (ARP) Funding that must be encumbered by 2024 and spent by 2026:

2/22/2022



### CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS (SLFRF)

Person County allocation: **\$7,670,470**

- Must be encumbered by 12/31/24
- Must be spent by 12/31/26

Funding from the American Rescue Plan will allow the county to continue its response to **fighting the COVID-19** public health emergency. It will also be a bridge to the **local economic recovery** and a catalyst for **transformational** and **equitable** change.

## ALLOWABLE USES

1. Replace lost revenue (may use for **general government services**)
2. Respond to the far-reaching public health and negative economic impacts of the pandemic
3. Provide premium pay for essential workers
4. Invest in water, sewer, and broadband infrastructure

"maintenance or pay-go funded building of infrastructure, including roads; modernization of cybersecurity, including hardware, software, and protection of critical infrastructure; health services; environmental remediation; school or educational services; and the provision of police, fire, and other public safety services."

US Treasury Overview Supplement:  
"Government services generally include any service traditionally provided by a government, unless Treasury has stated otherwise. Here are some common examples, although this list is not exhaustive: Construction of schools and hospitals; Road building and maintenance, and other infrastructure; Health services; General government administration, staff and administrative facilities; Environmental remediation; and Provision of police, fire, and other public safety services (including purchase of fire trucks and police vehicles)."

Translation: General government services are anything that a local government has state law authority to engage in, including public enterprise activities.

## COMPLIANCE

Adopt grant project ordinance

Set up accounting system to track obligations and expenditures for general government services projects

Adopt and implement the following required written policies and procedures:

- General Financial Management & Internal Controls Policy (Internal Controls must meet federal Green Book)
- Eligible Projects
- Cost Principles/Allowable Costs Policy
- Conflict of Interest Policy
- Nondiscrimination Policy
- Human Resources Policy
- Records Retention Policy

Adopt and implement the following written policies and procedures, if needed:

- **Procurement, Suspension, & Debarment Policy** (If local government will enter any service, purchase, or construction contract with ARP/CSLFRF funds.)
- **Subaward Policy** (If local government will partner with another government, nonprofit, or other private entity as part of an expenditure of the ARP/CSLFRF funds.)
- **Program Income Policy** (If local government will earn any income from ARP/CSLFRF-funded programs, such as loan programs and rentals of real or personal property.)
- **Property Management Policy** (If expenditures will result in the acquisition of any real or personal (supplies & equipment) property.)

Ms. Cathey stated Person County has not lost revenue however; broader categories include a standard allowance, which is more flexible. Ms. Cathey said compliance will increase staff time for reporting and written policies will be required or updated if currently in place.

Alternatively, Ms. Cathey said supplanting was encouraged noting salary and benefits could be expended with the ARP funds which would free up those General Funds to be used for other needs.

2/22/2022

## OTHER CONSIDERATIONS

### Technical assistance

- North Carolina Association of County Commissioners (NCACC)
- UNC School of Government

### Supplanting

- Not for premium pay
- Not for broadband

### Funding decisions

- Accept proposals
- Committee review and recommendations
- Board of Commissioners approval



## POTENTIAL PROJECTS



Project	Department	Funding
Spay, Neuter & Microchip Program	Animal Services	\$125,000
Mobile Adoption Unit	Animal Services	\$190,000
North Park Speculative Manufacturing Building	Economic Development	\$4,500,000
New Playgrounds – Expansion of Equity and Access	Recreation, Arts and Parks	\$300,000
Kirby Theater Wheelchair Lift and Cargo Lift	Recreation, Arts and Parks	\$125,000
Multi-modal transportation facility upgrades at existing park facilities	Recreation, Arts and Parks	\$400,000
Splash Pad at the Rock Athletic Complex	Recreation, Arts and Parks	\$500,000
New HVAC at Helena and Olive Hill Gymnasiums	Recreation, Arts and Parks	\$250,000
County Park Transformation	Recreation, Arts and Parks	\$1,788,000
Rail corridor acquisition and trail improvements	Recreation, Arts and Parks	\$650,000
Kirby Transformations: Upgrades to Curtains, Lighting, Sound and Bathrooms	Recreation, Arts and Parks	\$288,000
Community Risk Reduction Program	Emergency Services and Fire Administration	\$867,700
Comprehensive Backup Solution	Information Technology	\$200,000
1790 to 1994 Digital Imaging of Records	Register of Deeds	\$500,000
Broadband Expansion	Administration	\$1,000,000
		<b>\$11,683,700</b>

Other options include partnering with the state to release RFPs for state-guided areas for expansion. Already approved by the state is funding for purchase fire gear and radios.

2/22/2022

## OTHER FUNDING OPPORTUNITIES

- Infrastructure Investment and Jobs Act (Federal)
- GREAT Grant (State)
- Completing Access to Broadband (CAB) Grant (State)
- NC Parks and Recreation Trust Fund (PARTF) Grant (State)
- Capital Improvement Plan (CIP) (Local)
- Directed Grants (State)
- FEMA Grants (Federal)
- Homeland Security Grants (Federal)
- Others



## QUESTIONS AND NEXT STEPS



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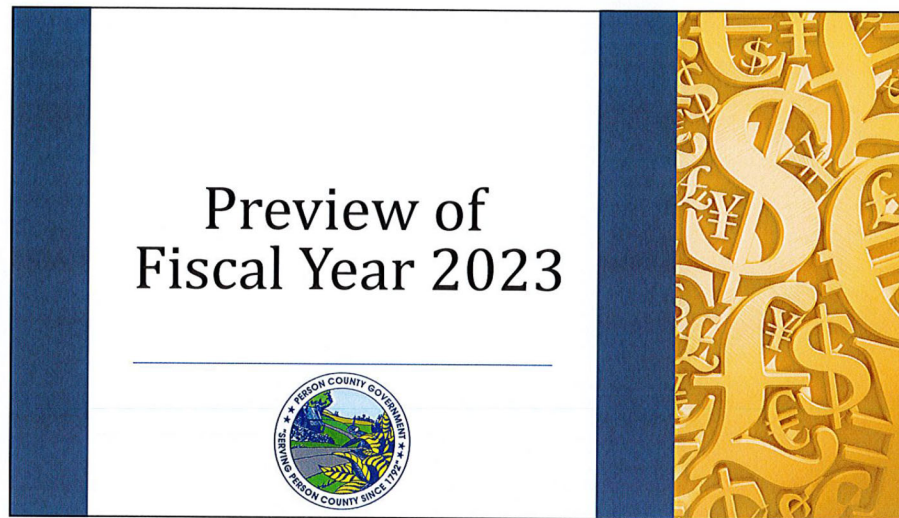
County Manager, Heidi York suggested a five-minute stretch break at 12:20pm; the meeting reconvened at 12:25pm.

February 22, 2022

**PREVIEW OF FISCAL YEAR 2023 & GOALS OF THE BOARD:**

County Manager, Heidi York shared the following presentation titled Preview of Fiscal Year 2023:

2/22/2022



**Capital Needs**

- Current year appropriation is \$2.47M; annual target has been about \$2M
- FY23 requests total: \$6.54M
- Recommended funding level will likely be over \$5M with the possibility of diversifying funding sources to include ARP or State Infrastructure Funds
- An excellent use for Fund Balance



Ms. York stated she and Chairman Powell received an email this date from Dr. Senegal with PCC stating their desire to amend its capital project request to a stand-alone building on campus.

2/22/2022

### Highlighting Requested Capital Projects

- **County Government:** \$1M towards the Western Sewer Expansion; roofing, auditorium update  
**Total Request: \$2.87M**
- **Person County Schools:** PHS parking lot paving; North End Elem roof; communication radios; Earl Bradsher fire alarm system; SMS bleachers  
**Total Request: \$1.12M**
- **Piedmont Community College:** Chiller room upgrades; science lab renovations and room upfits; ATC \$500K; roofing and covered walkways  
**Total Request: \$2.55M**

### Medical Insurance Renewal

- "Catastrophic increase in claims"
- Costs are driven by high claimants
- Claims have increased by \$3.6M over the last five years; averaging a 20% increase per year
- Estimated almost 32% increase in renewal costs for FY23
- An additional \$2.5M needed to keep the same plan operating
- Taken multiple actions to mitigate the cost increases:
  - Bid out the plan
  - Wellness & health improvement strategies
  - Benefit plan design changes

Ms. York stated the Board would hear from the County's Insurance Broker at its March meeting noting the County could not sustain the current plan at the estimated renewal costs. Ms. York confirmed the top claims were cancer related with COVID being the second highest costs with the insurance.

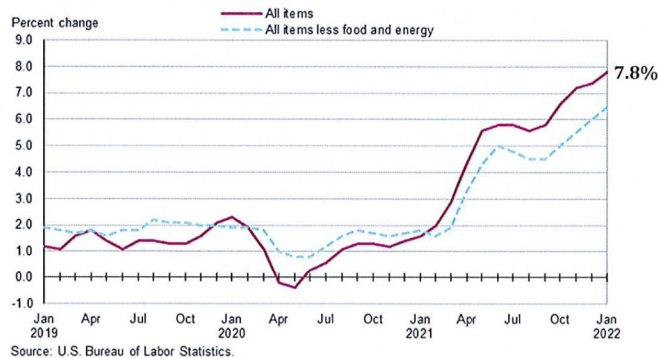
2/22/2022

## Supporting our Workforce

- Turnover and Vacancies
- Employee Engagement Survey Action Plans
- Salary Equity Study
- Requests for new positions
- Cost of Living/Consumer Price Index

## Measuring the "Cost of Doing Business"

Chart 1. Over-the-year percent change in CPI-U, South region, January 2019–January 2022



Ms. York explained the County's turnover rate has far exceeded the best practice's rate of 10% noting in FY21 the turnover rate was 21% and in FY22 it was 18%; she added it was due some to retirements, leaving to work elsewhere for more money or less work. Commissioner Puryear added people desire flexibility to work from home. Ms. York further noted at this time in 2021, the full-time vacancy rate was 4.88% and in 2022, it was 6.5%, which are higher than the state average of 4.8%

Ms. York stated the Board would hear from the Human Resources Director in March for the results as well as an action plan of a recent Employee Engagement Survey; she added 80% of the survey participants said they were proud to work for Person County.

Ms. York noted approximately ten years ago Person County stopped recommending cost of living adjustments as the trends, at that time, were relatively flat; about that same time, the County implemented Merit Based Pay. Ms. York illustrated the Consumer Price Index for the South region for the period January 2019 to January 2022, which showed an increase in the cost of doing business by 7.8%. Ms. York said to make a cost of living adjustment in that amount would be a recurring cost of \$2.5M, or for an adjustment of 5%, the recurring cost would be \$1.6M.



## **Opportunities & Needs**

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- Person Industries/MRF merger FY24 estimating \$2.2M
- VFD Funding
- Community Projects Fund with Republic
- Human Services Building lease is up in 2025

## **Goals of the Board**

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FY22 Goals:

- Improving the Economic Development Process
- Supporting the Airport
- Improving Broadband Connectivity
- Keeping the Tax Rate Flat
- Improving School Facilities

It was the consensus of the Board to keep the same goals for FY23. Commissioner Puryear stated a goal of the Board should be to commit to the revaluation process with the fly-over aerial images in early 2023 noting prior to the fieldwork, evaluation whether the revaluation was warranted or could be delayed.

Commissioner Gentry stated a goal to improve access to DOT infrastructure to obtain more industry.

The Board then discussed the Human Services' facility lease that is due to expire in 2025. Tax Administrator, Russell Jones added the building that the Tax Office and Register of Deeds was located has an upcoming lease expiration as well. Commissioner Gentry stated to consolidate all departments in one place would be beneficial.

Ms. York stated she would update the Board's goals in the proposed budget based on discussion at this retreat.

**CLOSING REMARKS:**

Chairman Powell closed the retreat discussion by noting what the Board had achieved in the last year, even under extreme conditions: kept the tax rate flat, transitioned the VFDs to a fully funded Fire Tax revenue system, awarded some of the VFDs for lowering ISO ratings which means savings for the taxpayer, conservative approach on spending, continue to support capital needs for schools and PCC, on course for the first issuance of debt for schools, hired a new County Attorney, lobbied with state officials to restore funding for the runway project at the Airport, and a new hangar is being constructed with inquiries currently for a tenant for that hangar.

**ADJOURNMENT:**

A **motion** was made by Commissioner Puryear and **carried 5-0** to adjourn the meeting at 1:14pm.

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Brenda B. Reaves  
Clerk to the Board

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Gordon Powell  
Chairman

**February 22, 2022**