Call to Order - Chair Galey

Chair Galey announced that Vice Chair Carter and Commissioner Lashley were physically present. Commissioners Sutton and Boswell were calling in on the phone. Chair Galey spoke that they were experiencing significant challenges in the community during this time of the coronavirus. She continued that this was the governing board of this county and they were meeting to conduct essential business of this county. She mentioned that Commissioners Sutton and Boswell volunteered to call in and that they were spread out around the room since being limited to 10 people being physically present to remain in compliance with Governor's Executive Order. Chair Galey noted that during the course of the meeting, they may have a person leave and another person may come in. She stated that she, Vice Chair Carter, Commissioner Lashley, Tory Frink, Clerk to the Board, Clyde Albright, County Attorney, Bryan Hagood, County Manager, Sheriff Terry Johnson, Stacie Saunders, Health Director, and Susan Evans, Finance Officer were physically in attendance. Chair Galey advised there would not be a public comment period during that meeting. The law required only one public comment period per month even though they customarily had one at each meeting. She said they would forego the public comment period until the next meeting.

<table>
<thead>
<tr>
<th>Attendee Name</th>
<th>Title</th>
<th>Status</th>
<th>Arrived</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bill Lashley</td>
<td>Commissioner</td>
<td>Present</td>
<td></td>
</tr>
<tr>
<td>Amy Scott Galey</td>
<td>Chair</td>
<td>Present</td>
<td></td>
</tr>
<tr>
<td>Steve Carter</td>
<td>Vice Chairman</td>
<td>Present</td>
<td></td>
</tr>
<tr>
<td>Eddie Boswell</td>
<td>Commissioner</td>
<td>Remote</td>
<td></td>
</tr>
<tr>
<td>Tim D. Sutton</td>
<td>Commissioner</td>
<td>Remote</td>
<td></td>
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</tbody>
</table>

Invocation - Chair Galey

Approval of the Agenda

RESULT: APPROVED [UNANIMOUS]
MOVER: Steve Carter, Vice Chairman
SECONDER: Bill Lashley, Commissioner
AYES: Lashley, Galey, Carter, Boswell, Sutton

Consent Agenda

RESULT: APPROVED [UNANIMOUS]
MOVER: Steve Carter, Vice Chairman
SECONDER: Bill Lashley, Commissioner
AYES: Lashley, Galey, Carter, Boswell, Sutton

Appointments/Reappointments

Historic Properties Commission- Sarah Parris & Katherine Hadley

Approval of Minutes

Alamance County Board of Commissioners - Regular Meeting - Jan 6, 2020 9:00 AM

Presentations/Other Business
2852 : COVID-19 Update - Stacie Saunders, Public Health Director & County Manager
Hagood
Stacie Saunders, Public Health Director, provided an update on the coronavirus (COVID-19). She started by giving some background information and some of the symptoms associated with the virus. She said there were 2,585 cases in North Carolina and currently 19 cases in Alamance County. Ms. Saunders said that out of those 19 cases, 12 of them had recovered which meant they were out of isolation and doing well. She said 3 active cases were receiving care through the hospital system. At the time of Ms. Saunders's report to the Board, there had been no COVID-19 related deaths in Alamance County. She mentioned that the health department had reviewed over 430 test results and that 413 of those had been negative. She added that the Emergency Operations Call Center had received over 1130 calls so far.

County Manager Hagood thanked county staff. He said Ms. Saunders had shared a lot of pertinent information. He spoke that there were a lot of front-line employees working in stressful situations doing a fine job. He appreciated the job that they were doing. County Manager Hagood informed there were departments that were open but encouraged folks to call first before stopping in. He continued that the essential support staff departments were open and employees were teleworking when necessary. County Manager Hagood noted that a handful of departments were closed but those staff members were filling in at the call center.

2853 : 2020-21 Alamance County Budget Retreat Information - County Manager Hagood
County Manager Hagood provided information on the budget request received by county departments, the school system, ACC, and outside agencies. He mentioned that normally the department heads and outside agencies would be here in person to answer any questions. He said that if there were any specific questions for department heads then he would follow-up with them later to get those answers. County Manager Hagood announced that the total budget requests received was $181,717,221. He noted that out of that $181 million, $124 million pertained to county government. The education requests were a little over $53 million and outside agencies had requested a little over $3.7 million.

FY 20-21 Budget Request Information
Preliminary General Fund Budget - $181,717,221
• County Government $124,807,256
• County Services - $100,582,627
• Mental Health - $1,203,556
• Debt Service - $11,107,417
• Trans/Other Funds - $11,870,856
• Contingency - $42,800
Education - $53,172,427
Outside Agencies - $3,737,538

County Manager Hagood compared the fiscal year 2020-21 budget requests to the adopted general fund budget for fiscal year 2019-20. The fiscal year 2020-21 budget request was a $9.8 million increase.

FY 20-21 Budget Request vs FY 19-20
FY 20-21 Requested General Fund Budget - $181,717,221
FY 19-20 Adopted General Fund Budget - $171,905,114
Difference of - $9,812,107
FY 20-21 Requested Increases -
- Education Increase = $3,464,973
- Education Capital Plan Increase = $925,744
- County Government Increase = $4,974,588
- Outside Agencies = $446,802

County Manager Hagood gave a breakdown of the county government request. He said that there was a request for 12.5 new positions. He reviewed the employee compensation and benefits. As he continued, he explained that he has talked about high turnover positions and the difficulty in recruiting and retaining employees. County Manager Hagood indicated that he was considering various strategies to address the high turnover positions, recruiting and retention problems. He recommended continuation of the 2% merit plan at a cost of $549,000 along with lowering the service bonus eligibility from 7 years to 5 years. He noted that the current average years of service was 7 years and lowering the eligibility to 5 years would cost around $72,000. County Manager Hagood noted another strategy that he was considering which would be a $2,000 salary increase for all emergency services positions: Sheriff's Office, Emergency Management, Fire Marshal’s Office, EMS and Central Communications. This would cost about $843,616. He mentioned a plan to raise the salaries of the public health nurses which would cost almost $96,000. He reiterated that DSS had 5 positions that were constant high-turnover positions: child support agents, income caseworkers I and II, social worker investigative agent, and social worker III. He strategized giving an annual bonus of $500 for each position at their 1-year anniversary which would be a $72,126 cost. County Manager Hagood emphasized that some of these strategies were already in place such as merit plan and the 7-year service bonus.

Commissioner Lashley commented that the sales tax will go way down this year and the outside agencies will have to be reduced. County Manager agreed and mentioned that he had an upcoming slide that would address the sales tax projections.

County Manager Hagood shared information on employee benefits. He continued that the Detention Officer's Social Security Bridge Allowance would be included in this budget and that will be a cost of about $45,213. He estimated that $954,985 would be budgeted for the employer contributions for the 401k match. He noted that a number of employees have retired and will be added to the retiree health plan. He projected that cost to be a little over $335,000 while the employee dental contribution will increase by $57,000. County Manager Hagood explained that the state had required cities and counties to contribute more money to the State Retirement Fund so that cost was almost $550,000.

Various county departments had requested $94,500 for new equipment; $1,365,681 for vehicles; and $254,610 for other capital improvements. He said the total requested for the equipment, vehicles, and capital improvements came to $1.7 million. He reminded them that he had allocated .96 (almost 1 cent) for county capital which equals to a little over a million dollars. He said in order to stay within that amount for capital funding they would need to cut $667,641. County Manager Hagood mentioned that the county had its own capital improvement plan that they had been spending $250,000 per year. He said there were 3 projects scheduled to be
completed in that plan for the upcoming fiscal year. County Manager Hagood advised the county landfill had requested $1.2 million for vehicles, equipment, a maintenance pole shed, and other improvements.

County Manager Hagood discussed the county's debt service. As of July 1st, the total outstanding principal will be $40.6 million. He pointed out that the top of his chart pertained information on existing county debt and the lower half of the chart was potential new debt.

**Debt Service**

**Total Outstanding Principal July 1 - $40,688,582**

<table>
<thead>
<tr>
<th>Existing Debt</th>
<th>Bonds</th>
<th>Installment</th>
<th>FY20-21 Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>County</td>
<td>$</td>
<td>$4,529,182</td>
<td>$1,221,670</td>
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<tr>
<td>Alamance-Burlington Schools</td>
<td>15,620,747</td>
<td>3,004,399</td>
<td>4,710,527</td>
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<tr>
<td>Alamance Community College</td>
<td>17,534,253</td>
<td>0</td>
<td>2,382,637</td>
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<tr>
<td>Total</td>
<td>$33,155,000</td>
<td>$7,533,582</td>
<td>$8,294,834</td>
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<table>
<thead>
<tr>
<th>Potential New Debt</th>
<th>Bonds</th>
<th>Installment</th>
<th>FY20-21 Payment</th>
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</thead>
<tbody>
<tr>
<td>County ($5M Projects, $2M EMS, $1M Rescue truck)</td>
<td>$</td>
<td>$8,000,000</td>
<td>$645,833</td>
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<tr>
<td>ABSS – New HS and Southern HS</td>
<td>96,000,000</td>
<td>0</td>
<td>2,166,750</td>
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<tr>
<td>Alamance Community College</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$96,000,000</td>
<td>$8,000,000</td>
<td>$2,812,583</td>
</tr>
</tbody>
</table>

**Total Debt Service Budget – $11,107,417**

Legal Debt Margin - $1,103,188,890

Board approved Debt Policy (3% Assessed Value) $457,385,713

He noted that the county had $4.5 million in existing installment loan debt which had gone up a little bit from last year because of the voting machines, along with the central-communications VHF project. County Manager Hagood also reminded them of the existing installment loan debt for ABSS and ACC. He anticipated the total debt payment for all 3 existing loans for fiscal year 2020-21 to be $8,294,834. He referred to the projects in the potential new debt chart and commented that most of those projects were funded in the county’s capital plan. County Manager Hagood advised that there had been discussion about a new EMS facility in Mebane, financing a new truck for the rescue squad and the $5 million county project list. If the county undertook all those projects it would be an additional $8 million in new potential debt.

County Manager Hagood mentioned that the school system had received $42.4 million for operations and $3.3 million for capital in fiscal year 2019-20. He noted that their operations request for fiscal year 2020-21 was $45.7 million which was a $3.3 million increase and their capital outlay request remained at $3.3 million. In fiscal year 2019-20, ACC had been funded at
$3.4 million for operations and had received $870,000 for capital outlay. He noted that ACC had requested $3.6 million for fiscal year 2020-21 which was a 5% increase in their operations funding. They also requested $480,000 for capital outlay which was a $150,000 increase since they were budgeted to receive $330,000.

County Manager Hagood briefly reviewed that the total amount requested from outside agencies totaled $3.7 million. He commented that was $450,000 more than last fiscal year. He continued that 6 outside agencies received home care community block grant funding which a little over a million of that was pass thru monies.

Commissioner Boswell asked whether the county was tracking any extraordinary expenses that it was incurring by having extra employees. He wanted to make sure that the county received its portion of any FEMA allocations. County Manager Hagood assured him that Debbie Hatfield and Emergency Management had been working with FEMA to prepare the county for any reimbursement filings.

County Manager Hagood discussed the revenue projections and revenues as it pertained to the property tax base and pre COVID-19 projections and estimates. He advised that it was difficult to have this discussion since they were not 100% sure what this might have done to the economy or revenues. He said that the tax department had provided him with an assessed value of $15,246,190,417 as of March 5th. He said they are working off this number for the next fiscal year. He hoped they could refine it more before he presented his manager’s recommended budget. County Manager Hagood said that number represented about a 3% growth in the base valuation which was good news. He provided some figures on the pre COVID-19 revenue sources: property tax and sales tax. He estimated a little over $101 million in total levy of property taxes next fiscal year which was a $4.2 million increase over the fiscal year 2019-20 budget. He noted that as of March 31st the county had collected $93.2 million in property taxes. County Manager Hagood said they were getting close to collecting all the property taxes for fiscal year 2019-20. He spoke that the was good news that the property tax revenues were growing and continuing to come in based on the growth. County Manager Hagood advised that they had estimated approximately $32.9 million for next fiscal year in sales tax which would had been about a 3.47% increase over the fiscal year 2019-20 budget. He mentioned that they had collected $19.4 million at the end of March for 7 months. He noted that sales tax was always 2 months in the arrears.

County Manager Hagood discussed the unassigned fund balance. He reminded the Board that the last audit showed that the county had $18.3 million in unassigned fund balance which was 12% of expenditures. He said the goal was to have that at 17% and they wanted to get back up to 17% which was the board approved percentage goal.

County Manager Hagood reviewed that the total general fund request was $181,717,221. Pre COVID-19 revenues were estimated at $173,350,496 so there was a $8.3 million gap without the use of any fund balance. He said it would have required a 5.55 cents property tax increase to balance the budget if there were no reductions in the requests. He said that if you included the fund balance that was budgeted for fiscal year 2019-20 then that would have left a $2.9 million gap. County Manager Hagood said property taxes would have to be raised 1.92 cents to balance the budget if you did not cut the requests. He emphasized that pre COVID-19 property tax
revenues and sales tax revenues were good. He said that one of their goals has been to get into a budget model where the growth could carry through. He continued discussing trends for past revenues when entering a recession. He noted that revenues become very volatile once you enter a recession. County Manager Hagood commented that the collection rate slowed down the second year of the recession in 2009 because people had a harder time paying their bills. He noted that the sales tax had an immediate impact. There was a 23% decrease in sales tax revenues from Article 39 during fiscal year 2007-08 to fiscal year 2008-09. He said that if that happened again today, it would be almost a $3.3 million reduction in sales tax revenue going into the next fiscal year or another $4.7 million decrease for the following fiscal year. County Manager Hagood provided some post COVID scenarios on revenues for the next fiscal year. He gave a timeline of when he planned to present his recommended budget.

Commissioner Sutton requested a report on the growth of positions and asked that Davidson County be included as a comparison.

RESULT: INFORMATIONAL

Budget Amendments

2020-11 : Sheriff Dept - BJA Grant Approval
Sheriff Terry Johnson asked permission to apply for a $750,000 grant to help with the "Stepping Up Initiative" and mental health issues within the jail. The grant did not require up-front county funds. The match will be supported with staff work and maintenance of effort funds. He said that the purpose of this grant was to reduce recidivism of those with mental health illness in the criminal justice system.

RESULT: APPROVED [UNANIMOUS]
MOVER: Bill Lashley, Commissioner
SECONDER: Steve Carter, Vice Chairman
AYES: Lashley, Galey, Carter, Boswell, Sutton

Adopt Project Grant Ordinance if Awarded the Grant

RESULT: ADOPTED [UNANIMOUS]
MOVER: Steve Carter, Vice Chairman
SECONDER: Bill Lashley, Commissioner
AYES: Lashley, Galey, Carter, Boswell, Sutton

County Manager's Report
County Manager Hagood commented that they had received the February sales tax numbers and that they were about $200,000 over the last February numbers.

County Manager Hagood mentioned that he would be bringing a request for the loan projects for the county. He said that he had planned to do the full $5 million but he had curtailed that down to $2.2 million. He said that will take care of the projects that they had already started.

Alamance County March 2020 Fiscal REport

Commissioners' Comments
Commissioner Boswell gave a compliment to County Manager Hagood for the budget presentation. He appreciated all the first responders and was praying for them every morning.
Chair Galey touched base about the April 20th meeting. She thanked Commissioner Boswell and Sutton for volunteering to call into the meeting.

**Adjournment**

There being no further business to be brought before the Board, the meeting was adjourned at 11:20 AM

Respectfully Submitted,

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CLERK TO THE BOARD