



Wake County

301 South McDowell Street
Raleigh, NC

Meeting Minutes Board of Commissioners

Monday, April 20, 2020

2:00 PM

Wake County Justice Center

Regular Meeting - Meeting Held Remotely

Meeting Called to Order: Chair Greg Ford

Present: 7 - Chairman Greg Ford, Vice-Chair Vickie Adamson, Commissioner Matt Calabria, Commissioner Susan Evans, Commissioner Jessica Holmes, Commissioner Sig Hutchinson, and Commissioner James West

Others Present: David Ellis, County Manager; Scott Warren, County Attorney; Denise Hogan, Clerk to the Board; Yvonne Gilyard, Deputy Clerk to the Board; Emily Lucas; Chief Financial Officer; Denise Foreman, Assistant County Manager; Ben Canada, Assistant to the County Manager

Pledge of Allegiance

Invocation: Chair Greg Ford

Items of Business

1. [Approval of Agenda](#)

Commissioner Calabria suggested the board discuss faith restrictions due to COVID-19.

Commissioner Calabria moved, seconded by Commissioner Hutchinson, to approve the agenda adding a discussion to the regular agenda of faith based restrictions. The motion passed unanimously.

2. [Approval of the Minutes of the Regular Meeting of April 6, 2020 and the Work Session of March 9, 2020](#)

Commissioner Holmes moved, seconded by Commissioner Hutchinson, to approve the Minutes of the Regular Meeting of April 6,

2020 and the Work Session of March 9, 2020. The motion passed unanimously.

Consent Agenda

Commissioner Evans moved, seconded by Vice-Chair Adamson, to approve the Consent Agenda. The motion passed unanimously.

3. [Authorization of Open Space Funding Agreement with N.C. Department of Transportation \(NCDOT\)](#)

Attachments: [NCDOT Funding Agreement I540 Agenda Item.docx](#)
 [Complete I540 Settlement Agreement.pdf](#)
 [Wake County 9060 NCDOT Funding Agreement 2020_03_18.docx](#)

Commissioner Evans moved, seconded by Vice-Chair Adamson, that the Board of Commissioners authorize the County Manager to execute the Wake County Open Space Funding Agreement with the N.C. Department of Transportation, subject to terms and conditions acceptable to the County Attorney. The motion passed unanimously.

4. [Submittal of a N.C. Parks and Recreation Trust Fund Grant for Beech Bluff County Park](#)

Attachments: [PARTF Submittal BBPC Agenda Item.docx](#)
 [Beech Bluff Master Plan Executive Summary.pdf](#)

Commissioner Evans moved, seconded by Vice-Chair Adamson, that the Board of Commissioners authorize the County Manager to execute and submit a Parks and Recreation Trust Fund grant application for Beech Bluff County Park, subject to terms and conditions acceptable to the County Attorney. The motion passed unanimously.

5. [Wake County Public School System Capital Improvement Program Appropriations and Reallocations](#)

Attachments: [4.20.2020 CPSS CIP FY 20 Project Contingency Appropriation and Reallocation Item Summary .docx](#)
 [BOC Resolution.docx](#)
 [WCPSS Resolution 3.24.20.pdf](#)

Commissioner Evans moved, seconded by Vice-Chair Adamson, that the Board of Commissioners approve the request to appropriate and reallocate in the Seven Year Capital Improvement Program a total of \$3,500,000 of program contingency funding to fund an increase to pre-construction scope for E-51 and an early demo package and swing space reconfiguration for Fuller Elementary School renovation. The

motion passed unanimously.

6. [Wake Technical Community College Capital Improvement Program Technical Corrections](#)

Attachments: [Item Summary 4.20 Reallocations.docx](#)
 [Resolution.docx](#)

Commissioner Evans moved, seconded by Vice-Chair Adamson, that the Board of Commissioners reallocate a total of \$3,888,494 in the Wake Tech Community College Seven-Year Capital Improvement Program for the Eastern Wake Campus Master Plan and Initial Infrastructure and various electrical replacements. The motion passed unanimously.

7. [Award Construction Contract in the amount of \\$3,939,900 for the Community Services Center Renovation Project - Phase II](#)

Attachments: [CSC Renovation II 03-13-20 \(BOC\).docx](#)
 [AA CSC II Cost Summary \(BOC\).xlsx](#)
 [Bid Tab 02.27.20.pdf](#)

Commissioner Evans moved, seconded by Vice-Chair Adamson, that the Board of Commissioners:

1. Award a construction contract in the amount of \$3,939,900 to MLB Construction Services of Apex N.C for the Community Services Center Renovation Project - Phase II and

2. Authorize the County Manager to execute this contract subject to conditions acceptable to the County Attorney. The motion passed unanimously.

8. [Approve Three-Year External Auditing Services Contract with Elliott Davis, PLLC for Fiscal Years 2020 through 2022](#)

Attachments: [2020 audit agenda item - Elliott Davis.doc](#)
 [Copy of Cost Evaluation.pdf](#)

Commissioner Evans moved, seconded by Vice-Chair Adamson, that the Board of Commissioners authorize the County Manager to execute a three-year contract with up to two, one-year extensions for external audit services with Elliott Davis, PLLC for fiscal years 2020 through 2022. The motion passed unanimously.

Regular Agenda

9. [COVID-19 Update](#)

Mr. David Ellis, County Manager, provided an update on the COVID-19 situation in Wake County. He said as of 1 p.m. today, North Carolina has 6,764 confirmed COVID-19 cases, with 601 of them right here in Wake County. On Wednesday, April 15th, Wake County learned of the first COVID-19-related death of a Wake County resident. He said It's a heart-wrenching reality of this virus and, while we knew it was only a matter of time before the Wake County community experienced its first loss to COVID-19, it doesn't make the news less difficult to hear. He offered his sincere condolences to everyone who has lost a family member or dear friend to COVID-19 in Wake County and beyond.

Mr. Ellis said the loss of life and the continued growth of known positive COVID-19 cases in Wake County made it clear that we needed to extend our Stay-at-Home order beyond April 16th. Therefore, last week, Chairman Ford signed a new proclamation pushing the date out to April 30th. Staff made that decision based on facts, data, and encouraging results from the first order. He said since we initially asked folks to stay home, the projection of our doubling rate has gone from about 3.5 days to about 8 days.

Mr. Ellis said this order is doing exactly what it was intended to do, which is to prevent our health care system from becoming overwhelmed while keeping people safe. He said although we've made progress, we need to stay the course, so we can continue to flatten the curve and, that's why the Stay-at-Home order will remain in effect until the end of the month, at which time we'll reassess to determine our next steps.

Mr. Ellis said in our new proclamation, the restrictions stay largely the same with the exception of a few additions. Retailers who can offer curbside or delivery service are now allowed to do so. He said that change was made, because we understand how important it is to balance the health and safety of our community while doing what we can to protect the economy. He said staff talked candidly last week about the economic realities that Wake County is facing and about our need to tighten our belts to ensure we're in the best possible position to bounce back when it's time to return to some sort of normalcy.

Mr. Ellis said in addition to easing restrictions on retail businesses where we could, we've also enabled faith organizations to hold drive-in services. He said as the son and grandson of pastors, he is well aware of the comforts that church and the church family can lend in times of unrest and

uncertainty. While worshipping in a car is not exactly what everyone is used to, it's important that we again find balance in feeding our spiritual needs while practicing social distancing to avoid spreading COVID-19.

Mr. Ellis provided an update on the Emergency Operations Center (EOC). He said as far as our day-to-day operations at the county go, our Emergency Operations Center is now on day 48 of activation. Staff are, however, right-sizing our staffing based on fluctuating needs. For example, before we announce or implement new guidance, we staff up our call center and when big news isn't planned, we dial back the number of call takers on duty, because we anticipate fewer calls. He said in the coming weeks, Wake County may ramp up our contact tracing efforts again, based on our public health experts' recommendations. He said if that's the case, we'll make sure we have the workforce necessary to carry out the work. There are many others who aren't directly related with the response effort but they are still thinking creatively about how to serve the public at this time. Plato once said "necessity is the Mother of all invention" and that couldn't be truer for our Parks staff, they have launched an amazing program called Wake Parks from Home. This program provides educational videos, games, virtual scavenger hunts, online mazes and tours of our parks, with more on the way.

Mr. Ellis said another great example of ingenuity is from our Public Libraries. They've moved their popular story time program from inside the library to your computer. You can watch videos of story time with your kids anytime it's convenient for your family. He said it launched on April 2nd, and within a week, "Story Time Anytime" had nearly 25,000 views, and its episodes were shared more than 250 times.

Mr. Ellis said the Human Services clinics have just started offering tele-dentistry through Wake County's Dental Clinic for people up to 20-years-old for common issues like toothache or gum pain. They're also continuing to provide prenatal, child health services and lab hours on a modified basis, while making sure that our frontline workers are safe. As you can see, we're combining technology, flexibility and creative thinking to continue to serve our residents safely and effectively.

Mr. Ellis said he is so proud of how the community is coming together during this difficult time. He said he is grateful to our employees as well as the partners in the public and private sectors who are working alongside the county to support and protect our community as we respond together to COVID-19.

Mr. Ellis said it's only through a collective effort that we'll lessen the impacts of the virus on our home and reach a stage where the county can reopen.

Ms. Regina Petteway, Wake County Human Services/Public Health Director, said it is important for the public to hear from the Public Health Director. She said the board does not have easy decisions to make. She said Wake County is the healthiest county and there are great hospitals in the area. She said that staff are looking at data and reported deaths and cases. She said Wake County currently has 601 positive cases and 7 deaths. She said that residents need to stay the course. She said that citizens needs to be strong and continue their social distancing. She said that Wake County is close to the first phase of opening up. She said curb side pickup and delivery for businesses have been allowed with distancing in mind. She said that drive in faith services are now allowed, but the level of social distancing is somewhat compromising. She said that wearing masks is also helpful. She said the focus on vulnerable populations is necessary. She said listening to their needs is important.

Chairman Ford thanked Ms. Petteway for her leadership. He asked about Mecklenburg's statistics and why they are vastly different.

Ms. Petteway said Mecklenburg County has a different demographic makeup and economic status. She said Wake County's first Proclamation assisted in the process of slowing down the spread of COVID-19.

Chairman Ford asked Ms. Petteway to expand on her thoughts of the recent revisions of the Stay-At-Home restrictions.

Ms. Petteway said the restrictions of social distancing is providing good response for the spread of COVID-19 and opening restrictions too early may cause a rebound. She asked citizens to stay the course.

Chairman Ford thanked Ms. Petteway for her comments and said that society would return back but it will take time. He said there are challenges in applying public health standards, restrictions, ethics, and real world applications. He said that it is hopeful that the citizens are following the social distancing.

Chairman Ford asked if there is additional information about testing in Wake County.

Ms. Petteway said the Emergency Operations Center is making strides for the testing and the tracing. She said that rapid results are also of concern.

Commissioner Calabria said that there is discussion about when the county is to reopen. He said that access to testing is necessary. He said

that it an important component to the process.

Ms. Petteway said that staff will work with the County Manager and the Emergency Operations Center to provide information on emergency testing.

Commissioner West said that he has spoken with leaders, pastors, and others in the community. He said that the virus is affecting persons of color. He said that disparities exist and a plan for those in that situation needs to be addressed. He said that it is the hope that a process can be developed moving forward for homeless and those in poverty. He asked that the county work with pastors and other leaders in the community.

Ms. Petteway said that she is thankful that the board can participate in virtual meetings and provide information to the Spanish community and other vulnerable communities.

Vice-Chair Adamson said that citizens are concerned about testing. She asked about metrics of testing. She said that private labs, hospitals, and other labs are reporting. There are lags in the reporting time. She said that it will be important to know how many tests need to be in place before the county can be reopened.

Commissioner Hutchinson noted that tracking infection rates is important and asked the difference that it has made.

Ms. Petteway said the testing and tracing has been focused on clusters such as nursing homes. She said that First Responder data has been helpful. She said increasing the testing and tracing will provide additional information. She said it is not known whether there is immunity after COVID-19. The more testing that is available, the better.

Commissioner Holmes commended Ms. Petteway for her work. She asked where Wake County is with Personal Protective Equipment (PPE). She said the community has stepped up. She said Chinese leaders have provided PPE and church leaders have assisted with food.

Manager Ellis said there has been an outpouring from the community to provide PPE and orders are taking 4-5 weeks for delivery. He said that some vendors have increased prices. He said the county would like to have equipment through August.

County Manager Ellis said donations are appreciated.

Chairman Ford commended County Manager Ellis and his efforts in working diligently with staff during this time.

County Manager Ellis said that it is a team effort and thanked staff and the board for keeping everyone safe.

Chairman Ford said that he appreciates County Manager Ellis' work with engaging all 15 mayors and working with the feedback they have provided for revisions to the county orders.

Commissioner Evans moved, seconded by Vice-Chair Adamson, that the Board of Commissioners receive an update on the County's COVID-19 response. The motion passed unanimously.

10. [Public Comments](#)

Attachments: [BOCPublicComments04202020.pdf](#)

Ms. Denise Hogan, Clerk to the Board, announced that there were 47 citizens that signed up for public comment. She shared the following comments:

- 38 citizens asked the board to lift the Stay-At-Home Order to be lifted and the county be reopened.
- 3 citizens asked the board to remove restrictions for faith based worship services
- 1 citizen asked the board to keep the Stay-At-Home Order in place
- 1 citizen asked the board to provide the number of congregate cases on the Wakegov website related to mental health issues that have led to domestic violence, depression, suicide as a result of COVID-19
- 1 citizen asked if the county is using the Institute for Health Metrics and Evaluation models to provide data
- 1 citizen asked the board to suspend property taxes
- 1 citizen asked the Board of Commissioners to forego their pay
- 1 citizen asked who is responsible for COVID-19 testing

A full version of the citizen comments are attached to this item. All board members received a copy of the full version.

That the Board of Commissioners receives comments from the general public. Comments will be summarized during the meeting by

the Clerk and provided in full as part of the meeting minutes.

11. [Discussion of Faith Based Restrictions](#)

Commissioner Calabria said that he would like the board to discuss the restrictions of faith based restrictions. He noted that Commissioner West had discussed when he was Chairman about an all values board. He said in keeping with public health and safety, the restrictions have been in place but that the economic, social, and emotional health of all residents must be considered as well.

He said he would like to have a discussion that can provide the faith institutions with options. He said options with communion and safe tithing. He asked staff to look at options for the faith community.

Chairman Ford said he has received fair questions from citizens about the issue and finding the balance between public safety and health and allowing the public to practice their faith.

Commissioner West said that he has participated in zoom and conference call meetings regarding the issue. He said that ministers have requested to be engaged in the discussion. He spoke about a report from Atlanta and being weak on spiritual infrastructure. He said that faith has guided him through the years.

Vice-Chair Adamson said that Mecklenburg County's cases are coming from the churches and asked Ms. Petteway for her thoughts.

Ms. Petteway said that she has noted her question and will provide answers later.

Chairman Ford said that discussion by board members today will assist staff with communion, tithing, and literature guidance.

Vice-Chair Adamson said she assists with a clothing ministry and misses attending her church in person.

Commissioner Hutchinson said the environment is changing every day. He said he would charge staff to assist with language that will benefit the health of citizens and address these issues.

Commissioner West spoke about minimizing staff at his church and adjustments can be made that will work. He asked staff to bring back some information.

County Manager Ellis clarified that board members were looking for

options for drive in communion, tithing, and literature.

Commissioner Calabria said he would like information from a public health perspective that citizens can use.

Commissioner Holmes said the item speaks for many and a better balance can be found. She said that faith is important to many. She said as an attorney, she asked board members to be mindful of treating all groups consistently. She said that making sure there are no liabilities is important.

Commissioner Evans expressed her concern about being specific in the past order, but it is the hope that the changes meet the needs of citizens.

Chairman Ford said the board is seeking the least restrictive environment while maintaining the health and safety.

Ms. Petteway said that like with schools and other areas there will be reopening. She said that she did not want the virus to move into the faith community like the nursing homes. She said minimizing risks is of concern and there is not personal protective equipment. She said maintaining as much social distancing as possible is key. She said it is important to bring people of the faith community together meanwhile protecting citizens and faith leaders. She said that social distancing has proven to work thus far.

Chairman Ford asked about the state level restrictions for faith based situations being less restrictive.

Ms. Petteway said in the beginning the virus was not spread all over the state. She said that moving forward she was unsure what the next orders will be from the state.

County Manager Ellis confirmed that the board would like for staff to look at this section of the Stay-At-Home Order and look for the least restrictions keeping the public health in mind. He asked if there was a timeline.

Commissioner Calabria said guidance is needed sooner than later.

Ms. Petteway said that in coordination with the Emergency Operations Center staff can determine the best timing for these restrictions.

Chairman Ford asked what guidance can be given to faith organizations now. He asked if there were immediate materials or guidance that can be given to the faith community.

County Manager David Ellis said on the FAQ page on WakeGov.com it addresses communion.

Ms. Petteway said that it is important that the faith community can obtain masks and gloves and the items needed in addition to minimizing restrictions.

Chairman Ford pointed out that guidance on making this work during the interim would be helpful.

County Manager Ellis said staff will work to obtain some short-term options by the end of the week.

Commissioner Calabria said it is important to reach out to pastors, rabbi's, and other ministers. He said if options are modified, they need to be widely communicated in the community.

Commissioner West said that engagement, ownership, and understanding is of importance and involving the people of faith is necessary.

Vice-Chair Adamson said relaying this information to the media will be of importance.

Commissioner Holmes said last week County Manager Ellis shared a faith based resource. She asked if this resource could be provided in other languages for all the citizens.

County Manager Ellis said staff would look into providing this information.

12. [Recommended Proposals for Affordable Housing Development Program \(AHDP\) Loans to Develop Affordable Multifamily Rental Housing](#)

Attachments: [Agenda Item](#)
 [Affordable Housing Development Program \(AHDP\) Presentation 4-20-20.pdf](#)
 [Map](#)

Ms. Alicia Arnold, Equitable Housing and Community Development Division Director, shared the benefits and goals of the annual Request for Proposal (RFP)

- Leverages Federal Housing and Urban Development (HUD) funds with County Capital and Low Income Housing Tax Credits (LIHTC)
- Largest producer of subsidized affordable housing in Wake County
- Creates deeply affordable housing (less than 50 percent Area Median Income (AMI)) that the market will not naturally create
- Increases the stock of permanent supportive housing for persons

with special needs and persons at risk of or experiencing homelessness

She shared the summary of the 2020 proposals

\$10.2 Million Requested

784 Recommended New Units

174 Permanent Supportive Homes

She shared information of the successful impact of Affordable Housing Development Process (AHDP).

Increased Affordability

292 out of 784 units under 50 percent AMI, 1 in 3 units affordable to very low income

Negotiated Proposals

Reduced \$830,000 from original request, additional 57 units under 50 percent AMI

Additional PSH

Mandatory additional 10 percent set-aside, 92 PSH units (12 percent) above the North Carolina Housing Finance Association (NCHFA) requirement

She shared an overview of the tax credit process timeline.

December 2019 - RFP released

January 2020 - Applications due

May 2020 - NCHFA Submission deadline

August 2020 - Notification of Tax Credit Awards

She shared a chart of information on the available funding sources.

Housing Community Investment Program (CIP), Home Investment Partnerships Program (HOME), Housing Opportunities for Persons with AIDS (HOPWA), Community Development Block Grant (CDBG), combining Current Funds and Projected Fiscal Year 2020-2021 equals a total of \$13,044,375.

She shared a chart of 2020 RFP evaluation criteria. She shared a chart of the development proposal summary. Ms. Arnold shared a map of the location of proposed properties. She shared a chart of the increases investment and increased impact. She shared information on the fiscally responsible, serving most vulnerable.

For every \$1 spent by the County to develop affordable housing, \$13 dollars have been leveraged from other sources.

1 in 3 homes developed using county investment serve families earning less than 50 percent of the AMI*

*50 percent AMI is currently \$32,950 for an individual or \$47,050 for a family of four in Wake County.

She shared a chart of the rental cost impact by the numbers.

Average rental savings on 30 percent AMI unit compared to market rate are \$674 per month. Savings on a 60 percent unit are \$198 per month.

She shared information on exceeding expectations of tax commitment.

HACR estimates our efforts this year will, again, exceed the 500 new units per year metric established for the \$15 million annual increase.

She shared the takeaways.

- All projects meet minimum NCHFA requirements, as well as more stringent County requirements
- Total funding of \$10.2 million in request generating 784 new units of affordable housing including 174 units of supportive housing
- Wake County Guidelines and Requirements will create:
 - 292 units under 50 percent AMI with 65 units at or below 40 percent AMI
 - Mandatory 10 percent set aside for County supportive housing resulting in 92 units above NCHFA required units

She thanked the Equitable Housing and Community Development team and also the county departments, agencies and municipalities who all contributed.

Chairman Ford thanked Ms. Arnold and said it is not just about creating new affordable housing but preserving what we have already too.

Commissioner West asked about the limitations to mobile home restrictions and how they fit into the affordable housing plan.

Ms. Arnold said mobile home communities have not been addressed in the affordable housing plan but they are important to the housing stock since they sometimes have ample land with them. She said that staff can review these.

County Manager Ellis said that mobile home parks can be a threat because of land that goes with them and should be considered for preservation.

Commissioner Holmes thanked Ms. Arnold and Ms. Lorena McDowell, Wake County Director of Affordable Housing and Community Revitalization. She said that even before COVID-19 there was an affordable housing problem and there is going to be a greater need now.

Vice-Chair Adamson said that she said saw some data regarding 1 in 5 renters that did not make their rent in April.

Ms. McDowell said there has been work with Wake County Emergency Management and renters that are approaching the department. Wake County is using CARES ACT, HOME, HOPWA, EFC, funds and the Wake Prevent program continues their Partnership to end homelessness with community partners. She said the moratorium will be lifted for these renters in June.

Commissioner Evans commended staff for their work and for partnering with these groups for assistance. She said this is a win-win for the community.

Commissioner Holmes moved, seconded by Commissioner Evans, that the Board of Commissioners approve the following loan recommendations for 2020 North Carolina Housing Finance Agency Low Income Housing Tax Credit Applications, with funds up to the amounts indicated from federal HOME, CDBG, or County CIP for:

- 1. Affordable family housing developments including:**
 - a. \$760,000 for Broadstone Walk Apartments in Apex, NC**
 - b. \$1,750,000 for Rock Quarry Landing Apartments in Raleigh, NC**
 - c. \$2,800,000 for The Sussex Apartments in Raleigh, NC**
- 2. Affordable senior housing developments including:**
 - a. \$450,000 for Aspen Spring Apartments in Raleigh, NC**
 - b. \$1,440,000 for Hampton Spring Apartments in Raleigh, NC**
 - c. \$3,000,000 for Primavera Apartments in Raleigh, NC**

All funding commitments are subject to terms and conditions acceptable to the County Attorney. Awards are also contingent upon the development receiving local approvals including site plan

approval, all necessary permits from the local municipality and an award of tax credits from the NC Housing Finance Agency. All awards are contingent upon the basic terms as identified in the project descriptions, including funding commitments from the financial partners as identified. The motion passed unanimously.

13. [Approve Land Acquisition of +/- 3.4 Acres at 151 High House Road, Cary, NC for the Future Western Regional Center](#)

Attachments: [WRC Land Acq Item Summary.docx](#)
 [Western Regional Center Presentation 4-20-20.pdf](#)
 [Aerial Map of Subject Parcel.pdf](#)
 [Offer to Purchase - Buffaloe Subdived Parcels.pdf](#)

Mr. John de Haro, Wake County Facilities Project Manager, shared today's agenda item information.

- Overview of Human Services Today
- Service Delivery & Service Center Distribution
- Site Acquisition & Partnership Opportunity
- Next Steps

He shared information about Human Services today.

- Operates in nearly 500,000 SF of County facilities
- Provides over 50 services to Wake County citizens
- Staff represents over 1/3 of all County employees
- Facilities are at or near full capacity
- Continued County growth is toward fringe areas

He shared information about the service delivery vision.

- Support quality customer service with appropriate facility design
- Treat the whole client by grouping services together
- Improve accessibility to promote client self-sufficiency
- Ensure site locations near population being served
- Flexibility of facilities to accommodate future changes
- Provide safe and secure employee work environment
- Utilize partnerships to strengthen service offerings

He shared two demographics hot spot mapping. He shared a map of the future Human distribution.

Mr. Mark Edmondson, Wake County Facilities, Design and Construction

Project Manager, shared information about the opportunity for partnership.

Dorcas Ministries Co-Location

- Location Promotes & Strengthens Community Partnerships
- Provides Proximity to Population - Efficient/Effective Service Delivery
- Expanded Presence at Regional Sites - Better Regional Access

He shared a map of the location. He shared information about the site organization.

- 151 High House Rd
- ¾ Acres
- Next to Dorcas Campus
- Planned 30,000 SF Building
- Two Story Facility
- 25 New Parking Spaces
- 312 Total Campus Spaces
- \$1 Million Land Cost (supported by appraisal)

He shared information about expanding services through partnerships.

Services provided at Regional Centers

Social Services

- Medicaid
- Food & Nutrition Services
- ePass
- WorkFirst
- Child Day Care Assistance
- Child Welfare Services
- Energy Assistance Program
- Veterans & Military Services

Health Services

- Shots & Immunizations
- Family Planning Services
- Child Health Services
- Prenatal (Pregnancy) Care
- WIC Services
- Home Visiting Nurses

Services Provided by Dorcas

- Financial Assistance

- Food Pantry
- Job Training Center
- Childcare
- Education
- Cary Parks & Recreation
- UNC Mobile Clinic

He shared the next steps moving forward.

- Finalize Property Purchase Following Due Diligence
- Planning and Programming - Mid 2023 (FY 2024)
- Begin Construction - Mid 2024 (FY 2025)
- Project Completion/Open for Business - Mid 2025

County Manager Ellis said that integrating services at Dorcas Ministries with the county services makes sense.

Commissioner Evans said she is excited and has worked with Dorcas Ministries for 40 years. She said regional centers make sense across the county. She said that the center is needed in the western part of the county. She said the population of Cary is about 170,000.

Commissioner West said that when he joined the Wake County Board of Commissioners this was a Horizon Project. He said that Mr. Frank Eagles, former Mayor of the Town of Rolesville, was a big supporter of this project initially.

Vice-Chair Adamson said that history proves that the citizens being involved bring about great things and she wanted to be sure that transportation services were being considered.

Chairman Ford noted the Town of Cary is 5.61 percent at or above the poverty level.

Commissioner Evans moved, seconded by Commissioner Hutchinson, that the Board of Commissioners authorize the County Manager to execute a contract to acquire +/- 3.4 acres at 151 High House Road, Cary, NC, on behalf of Wake County for \$1,000,000, along with any other necessary documentation, subject to the terms and conditions acceptable to the County Attorney. The motion passed unanimously.

14. [Consideration of the Purchase of Property Planned for Disposition by Exchange by the Wake County Board of Education](#)

Attachments: [Agenda Item Surplus Knightdale HS.docx](#)
[Board of Education Disposition of Property Presentation.pdf](#)
[Precis Surplus Property Land Exchange Knightdale HS.pdf](#)
[Resolution - Knightdale HS Surplus.pdf](#)
[Public Notice of Property Exchange.pdf](#)
[Exchange Agreement.pdf](#)
[KHS Surplus Exchange Map.jpg](#)

Ms. Betty Parker, Senior Director Real Estate Services, Wake County Public School System, shared the surplus property disposition overview.

Surplus Property: Board-owned real property which has been determined by the Board to be unnecessary or undesirable for public school purposes may be sold or disposed of by the Board in its discretion.

§115C-518 Offer to Board of Commissioners: Board of Commissioners shall be afforded the first opportunity to obtain the property at a fair market price or at a price negotiated between the two boards. If the offer is declined, the Board of Education may dispose of surplus real property per statutory procedures.

§160A-266 Five Methods of Sale: Surplus real property may be disposed of by private negotiation and sale (personal property valued at less than \$30,000 only); advertisement for sealed bids; negotiated offer, advertisement & upset bid; public auction; or exchange.

§160-274. Sale, lease, exchange and joint use of governmental property. Any governmental unit may exchange, lease, sell or buy real property from any other governmental unit upon such terms and conditions as it deems wise.

§115C-518 Proceeds of sale of real property: Shall be applied to reduce the county's bonded indebtedness for the Board of Education or for capital outlay purposes

She shared an area map of the surplus site location and the Knightdale High School GIS aerial. She shared a map of the surplus property exchange.

She shared the exchange agreement terms.

- **Buyer/Exchangor:** Bessie K. Watson Heirs (Michael D. Watson & Meredith M. Watson)
- **Exchange Areas:**
 - Board Exchange Area: 1.735 acres (1.452 usable)

- acres)
 - Watson Exchange Area: 1.509 acres
 - Post-exchange Board Surplus Area: 2.26 acres (2.062 usable acres)
- **Exchange Property Valuation (per Tax Value) Comparison**
 - Board Exchange Area: \$52,284
 - Watson Exchange Area: \$51,306
- **Document Expense:** Watson provides all exchange documents, surveys, and map recording fees at its expense.

She shared the chart of surplus property disposition milestones for Knightdale High School.

The County was first approached in 2009 to identify a need and to declare the property as surplus by the Board of Education (BOE). On 3/31/2020 the BOE published an intent to approve the exchange. On 4/14/2020 affirmed it as surplus and set approval for exchange. On 4/20/2020 asking the Wake County Board of Commissioners to affirm a declination of interest in acquisition of the property. If successful on 4/27/2020 the BOE will execute an exchange agreement and then finally on 5/27/2020 the BOE and buyer will close on the property.

Chairman Ford said that reviewing the feasibility for affordable housing of property has become a practice of the board.

Commissioner Evans said this is a win-win for the county and she commended Commissioner Holmes for allowing the county to review property to be used for affordable housing.

Commissioner West commended Commissioner Holmes for her vision of the need and for filling in the gaps for affordable housing. He asked if there were any issues for future use.

Ms. Parker said there were no issues.

Commissioner Evans moved, seconded by Commissioner West, that the Board of Commissioners confirm that the County has no interest in acquiring the property described which has been identified for disposition by the Wake County Board of Education. The motion passed unanimously.

Manager's Report

County Manager Ellis said there has been an eighth death related to COVID-19.

Chairman Ford said prayers and condolences are with the families.

Commissioner Holmes suggested a moment of silence.

Board members observed a moment of silence.

A ten minute recess was taken.

The meeting went into recess, and the meeting reconvened.

15. [Wake County Hospitality Tax Updates](#)

Attachments: [HT Update Item Summary 4-20-2020.docx](#)
 [Final Hospitality Tax Presentation.pdf](#)

Ms. Denise Foreman, Assistant County Manager, said that COVID-19 has had an impact on the hotel and restaurant community. She shared the presentation objectives.

- Share revised revenue picture for hospitality taxes given projected impacts of COVID crisis
- Provide overview of COVID crisis impact on hospitality community in Wake County
- Provide update on status of Medium Projects process
- Discuss potential need for 22nd Amendment for Board and City Council consideration in June

She shared the COVID-19 impact

- **Public Events Impact:**

More than 75+ events and festivals have been canceled or rescheduled

- **Restaurant Sector Impact:**

All 1,300+ restaurants in Wake County are closed to dine in options, some have closed completely while others offer takeout and delivery options

- **Meetings, Conventions and Sporting Events Sector Impact:**

Visit Raleigh and GRSA have had 76 conventions, meetings and group sporting events canceled, totaling at least 114,796 attendees and resulting in more than \$45.3 million in total lost economic impact

- **Hotel Sector Impact:**

14 of the more than 160 hotel properties in Wake County have now

temporarily closed

She shared a graph of the room occupancy rates that are 70 percent down and a chart of the average daily rate. She shared there was negative growth between years of 2001 - 2003 and 2009 -2011. Ms. Foreman shared a chart of occupancy tax collections. She said the community response to restrictions could change the collections. She said actual occupancy data will be monitored as time goes along. She shared information on the prepared food and beverage tax collections. She shared a chart of the Fiscal Year 20/21 revenues projected \$29.8 million less than the 21st amendment projections. Ms. Foreman shared information on the hospitality tax distributions most impacted by revenue losses include GRCVB, Centennial Authority and City of Raleigh.

- Greater Raleigh Convention and Visitors Bureau primarily funded through percentage of occupancy collections
 - FY20 - down 25 percent (\$2M)
 - FY21 - down 25 percent (\$2M)
- Centennial Authority operating funds are percentage of collections
 - FY20 - down 25.7 percent (\$1M)
 - FY21 - down 21 percent (\$800k)
- Raleigh Convention Center Complex debt, maintenance and operating are percentage of collections
 - FY20 - down 31 percent (\$10.6M)
 - FY21 - down 33 percent (\$9M)

Ms. Foreman shared the current planned expenditures are not sustainable with revised revenue estimates.

If expenditures proceed as planned in 21st Amendment with revised revenue estimates:

- Expenditures would exceed revenues
 - FY20 would use \$10.6M of unplanned fund balance
 - FY21 would use \$10.2M of unplanned fund balance
- Fund balance draws would violate our minimum fund balance guideline

She shared the next steps

Next Steps: Re-evaluating commitments and planned projects

- Recommending delay decision on Medium projects process and delay start of Small projects process
 - 21st Amendment requires decision on Medium projects by

June 30, 2020

- Small Projects process planned to start June 2020
- Partner organizations that receive percentage of revenues are modifying FY20 and FY21 budgets
- Negotiations will occur with partner organizations that have flat rate funding commitments to align timing with available funding
- City and County staff will continue to work with review team to monitor revenues and update financial models
- Prepare 22nd Amendment for consideration in June with updated revenue estimates, recommendation for impacts to Medium Projects process and funding commitments that may need to be modified

Chairman Ford said that there have been changes over the past few months. He said \$30 million in tax revenue is staggering. He asked if there is consensus that is being requested. Ms. Foreman said that is correct.

Commissioner Hutchinson said that it is important to keep the Greater Raleigh Convention and Visitor's Bureau to assist and get in a better standing. He commended them for their work.

County Manager Ellis said that Ms. Foreman has presented a best case scenario and the board will receive more information in June. He said the county must take caution in their economics.

Commissioner West asked about whether the issues are viewed in silos are they are related.

County Manager Ellis said the rooms and travel is interrelated in revenue sources.

Ms. Foreman said it is related to sales tax and how it is generated, such as hotels and restaurants.

Commissioner Holmes moved, seconded by Commissioner Evans, that the Board of Commissioners receive an update on the status of Hospitality Taxes in Wake County given the impact of the COVID crisis. The motion passed unanimously.

16. [Follow-Up to Budget Retreat Questions](#)

Attachments: [Item Summary Follow-Up on Budget Retreat Questions and Other Topics.docx](#)
[fund balance presentation.pdf](#)
[Fitch - Full Report - FINAL.pdf](#)
[Moody's - Full Report - FINAL.pdf](#)
[S&P - Full Report - FINAL.pdf](#)

Ms. Emily Lucas, Chief Financial Officer, shared information related to the fund balance policy guidelines used to manage the capital program.

- Fund Balance Policy Part of Set of guidelines used to manage Capital Program
- Established policies in early 2000's due to growing capital needs; modified as capital plan increased
- Established and revised using AAA rating guidelines
- Develop 7-year capital plan around these policies and guidelines
- Maintain metrics to ensure lowest possible rates on debt issued

Ms. Lucas discussed why maintaining fund balance matters.

Short Term

- Main revenue source, property tax, supports operating, debt and capital, but majority of funds received October - January
- Sales tax is volatile and influenced by factors outside County's control
- Adequate reserves ensure operating and debt obligations are met regardless of when revenues are received

Long Term

- Debt Service Fund expenditures vary greatly from year to year
 - Revenues generated in early years of a bond program, then used when all debt has been issued
- Important to keep General Fund as strong as possible to mitigate years Debt Service Fund uses fund balance
- Fund balance is a key ratio used by rating agencies to measure a local government's short- and long-term fiscal health.

She shared a chart of the Wake County fund balance policies.

General Fund

1. Total GF balance of at least 15 percent of following year's budget.
2. Committed working capital of at least 10 percent of following year's budget.
3. Working capital can only fall below 10 percent if catastrophic

event occurs (5 percent deviation from adopted budget).

Debt Service Fund

1. Total GF balance of at least 15 percent of following year's budget.
2. Committed working capital of at least 10 percent of following year's budget.
3. Working capital can only fall below 10 percent if catastrophic event occurs (5 percent deviation from adopted budget).

Policies most recently adopted by the Board of Commissioners in May 2014; can be found in Budget Book and CAFR.

Ms. Lucas shared the fund balance that helps with the cyclical nature of GO Bond financing over time.

Property tax increases associated with approved bonds accumulates fund balance in the first few years, then is spent down as the debt is issued. This fund balance is not available for other purposes. She shared information on the fund balance minimum

- No state statute for a minimum
 - 8 percent floor is commonly referred to; this only equates to one month of a budget
 - LGC monitors and expects similarly-sized governments to have similar fund balances ratios - units may receive letters to correct financial course if fund balance is deemed low
- No rating agency "minimum"
 - Expectation that similarly-size governments with similar activities would have similarly-sized fund balances

She shared a chart of fund balance comparisons from other counties. She shared the multiple elements considered in bond ratings.

- Each rating agency considers different, but similar, criteria when developing ratings:
 - Local economy - growth and diversity of tax base, personal income
 - Institutional framework - local governance, state oversight
 - Revenues - ability to raise revenues and growth rate
 - Expenditures - growth rate and ability to control spending
 - Long-term liabilities - debt issued, pensions, and retirement
 - Operating performance - actual revenues to actual expenditures
 - Fund balance and liquidity - funds on hand to meet obligations

She shared the bond rating metrics including multiple factors.

Factors County Can Control

- Policies, procedures, and governance
- Property tax rate
- Operating and capital budgets that match available resources
- Amount of debt issued
- Fund balance

Factors Outside County Control

- Growth in tax base
- Growth in personal/family income
- Changes in retail sales/sales tax income
- Changes in state legislation that impact revenues/expenditures
- Pension rates charged by the state for retirement

She shared information about the consequences of losing AAA ratings.

- If one or more factors trend down, County may be placed on a negative outlook by the rating agencies
 - Rating agencies would expect additional controls to maintain AAA ratings
- Bond ratings factor in to what interest rates financial institutions and lenders charge
 - In the past 10 years, the interest rate difference between a AAA-rated and AA-rated bond has averaged .21 percent
 - If the County's planned GO debt over the next seven years (\$2.1 billion) was issued under AA ratings, the additional cost would be \$44.9 million over the life of the debt
- If downgraded, could take several years to restore AAA ratings

She shared information about the practical fund balance management.

- BOC has intentionally set aside funds for specific initiatives. Examples include:
 - Behavioral Health
 - Revaluation/reappraisal
 - ABC Revenues
- Some external entities have imposed restrictions on funds as well:
 - ROD Funds
 - LEO Separation Allowance
- County does not consider these funds available for general purposes

She shared information about budget balancing strategies and fund balance appropriations.

- Seek to find additional revenue sources or expenditures savings before use of fund balance.
- Appropriation of fund balance to cover *non-recurring* expenditures. Prior examples include:
 - Pilot programs to determine effectiveness
 - Cover disasters/emergency expenses *until reimbursements recovered*
 - Investment in a capital project
- Rating agencies have an expectation that fund balance *is not budgeted* for recurring operations. It implies the entity does not have a sustainable revenue to match an ongoing need.

She shared a chart of fund balance during the Great Recession.

FY 2009

Adopted Budget:

- **\$8.3 million appropriated**
- Described as “margin of error” of non-education budget in budget book
- Budget developed pre-recession (May 2008)
- Different fund balance policy
- As recession unfolded mid-year, made budget reductions of 1.5 percent to offset losses

Actual:

- **Use of \$12.95 million**

FY 2010

Adopted Budget:

- **Fund Balance not budgeted**
- Budget “includes no appropriated fund balance. While County policies permit the limited use of appropriated fund balance, it has been determined that none should be applied to the FY 2010 budget as part of a long-term strategy to increase undesignated reserves...”

Actual:

- **Use of \$3.83 million**

FY 2011

Adopted Budget:

- **\$2 million appropriated**

Actual:

- **Contribution of \$7.20 million (revenues exceeded expenditures)**

She shared a summary

- Fund balance:
 - Is a critical metric used to manage capital program effectively
 - Supports short- and long-term fiscal cycles
 - Is an important component in maintaining AAA ratings
- Best practice to use only for non-recurring purposes
 - During Great Recession, use of fund balance was not a planned strategy

Chairman Ford thanked Ms. Lucas for her leadership during this time.

Ms. Lucas said that staff is working on a few additional questions from the board.

Commissioner Evans moved, seconded by Commissioner Hutchinson, that the Board of Commissioners receive additional information addressing questions raised during the Board's budget retreat. The motion passed unanimously.

Other Business**17. [Informational Items for the Board of Commissioners](#)**

Attachments: [Informational Items Item Summary 4-20-20.docx](#)
[February 2020 Financials.pdf](#)

Closed Session

Attorney Scott Warren said there was no need for a closed session.

Adjourn

Commissioner Calabria moved, seconded by Commissioner Hutchinson, to adjourn the meeting. The motion passed unanimously.

Respectfully submitted,

Denise M. Hogan, NCMCC
Clerk to the Board
Wake County Board of Commissioners