Greg Edds, Chairman
Jim Greene, Vice- Chairman
Mike Caskey
Judy Klusman
Craig Pierce

Aaron Church, County Manager
Sarah Pack, Clerk to the Board
John W. Dees, II, County Attorney

Rowan County Board of Commissioners

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Telephone 704-216-8181 • Fax 704-216-8195

**MINUTES OF THE MEETING OF THE
ROWAN COUNTY BOARD OF COMMISSIONERS
August 5, 2024 – 3:00 PM
J. NEWTON COHEN, SR. ROOM
J. NEWTON COHEN, SR. ROWAN COUNTY ADMINISTRATION BUILDING**

PRESENT:
Greg Edds, Chairman
Jim Greene, Vice-Chairman
Mike Caskey, Commissioner
Judy Klusman, Commissioner

ABSENT:
Craig Pierce, Commissioner

County Manager Aaron Church, Clerk to the Board Sarah Pack, County Attorney Jay Dees, and Finance Director Anna Bumgarner were also present.

Call to Order

Chairman Edds called the meeting to order at 3:10 p.m. Chaplain Michael Taylor provided the invocation. Chairman Edds lead the Pledge of Allegiance.

Consider Additions to the Agenda

Chairman Edds requested the following additions to the agenda:

- Updated Home Care and Community Block Grant Funding Chart (Consent Item UU)
- Americans with Disabilities Act Contract (Consent Item VV)
- Synergy Contract (Consent Item WW)

Consider Deletions From the Agenda

Chairman Edds requested the deletion of Consent Item KK (*Schedule legislative hearing for Z 11-24 for August 19, 2024*), Consent Item T *(Subdivision Plat Approval for Beacon Acquisitions LLC*), and Consent Item LL *(Beacon AMREP/Wastequip Closing Document Package for BOC Approval).*

Clerk's Note: Consent Items T and LL that were removed at the beginning of the meeting were added back to the active agenda later in the meeting.

Consider Approval of the Agenda

On motion of Klusman, seconded by Greene, the Board voted 4-0 to approve the agenda as amended.

Consider Approval of the Consent Agenda

On motion of Klusman, seconded by Pierce, the Board voted 4-0 to approve the Consent Agenda as amended, as follows:

- *A. Consider Approval of the Minutes*
- *B. City of Salisbury Tower Lease*
- *C. Change Order #1 -Talbert & Bright - Contract 22309*
- *D. Change Order #1 -Talbert & Bright - Contract 22444*
- *E. Change Order #1 - Talbert & Bright - Contract 24058*
- *F. GRANTS: Approve Report Submission - Continental Structural Plastics*
- *G. GRANTS: Request to approve ROCOC Grant Application to First United Church of Christ Foundation*
- *H. Police Motorwerx, LLC*
- *I. Sole-Source Smith Rodgers & Aldridge - FY25/26*
- *J. Sole-Source Leads OnLine - FY25*
- *K. Sole Source - Cott Systems Inc. - FY25-27*
- *L. Sole-Source Cengage Learning - FY25*
- *M. Sole-Source Central Square - FY25/ Purchase Approval*
- *N. Sole-Source Bibliotheca ITG, LLC - FY25*
- *O. Sole-Source Carolina Recording Systems, LLC - FY25*
- *P. Sole Source - Motoport - FY25*
- *Q. Award Public Safety Dept. Pay Study - McGrath Human Resources Group*
- *R. Airport Flight Operations Counting Service Agreement*
- *S. Authorize Satisfaction for HOME Deed of Trust*
- *~~T. Subdivision Plat Approval for Beacon Acquisitions LLC~~ (**removed from agenda, later added back**)*
- *U. Sole-Source Teleflex® - FY25*
- *V. Authorize the County Manager to grant a sanitary sewer easement across PIN 5658- 02-86-0330*
- *W. Budget Amendments, as follows:*

Health Department	To align budget with awarded funds- AA914 ARPA addressing Lead in water & lead paint in schools	$10,000
Environmental Mgmt	To recognize reserved funds from FY24 to be budgeted for expenditures in FY25	$72,003
Environmental Mgmt	Transfer funds to allocate reclass position funds to correct S&B account lines	$3,403
Telecommunication	Transfer funds to allocate reclass position funds to correct S&B account lines	$247,119
Rowan Area Transit	Transfer funds to allocate reclass position funds to correct S&B account lines	$21,455
Function 48	Transfer funds to allocate reclass position funds to correct S&B account lines	$40,722
Social Services	Transfer funds to allocate reclass position funds to correct S&B account lines	$156,180
Function 41	Transfer funds to allocate reclass position funds to correct S&B account lines	$66,534

Function 61	Transfer funds to allocate reclass position funds to correct S&B account lines	$140,936
Social Services	Transfer funds to allocate reclass position funds to correct S&B account lines	$86,253
Function 61	Transfer funds to allocate reclass position funds to correct S&B account lines	$56,237
Finance	Transfer funds to balance water fund indirect costs FY 25	$1,171
Health Department	Transfer funds to align revenue and expense accounts with awarded funds for WIC grant	$11,825
Finance	Transfer funds to cover municipal taxes payment	$43,000,000
Special Appropriations	Transfer funds to cover BOC requested $12K to Rowan County Little League to support the team travel to Little league Softball World Series	$12,000
Health Department	Transfer funds to balance revenue and expense accounts to match awarded grant AA546	$21,017
Finance/RCC	Transfer funds to cover demo for old Salisbury mall cinema	$24,750
Finance	Transfer funds to cover carry over funds from FY 24 to FY 25	$2,207,600
Finance	To recognize reserved funds from FY24 to be budgeted for expenditures in FY25-Nature center	$1,082
Finance	To recognize reserved funds from FY24 to be budgeted for expenditures in FY25- Register of Deeds	$19,424
Animal Services	To recognize donated funds for heartworm medication for dogs that test positive for heartworm	$1,860
Senior Services	To recognize additional funds received for HHCBG	$1,257

X. Sole Source Kofile - FY25
Y. NCACC Annual Conference Voting Delegate
Z. Amendment #2 - David A Schlang
AA. Amend Contract #24629
BB. JCPC approval of payments to organizations
CC. JCPC Funding Plan Rowan County
DD. JCPC Certification and Annual Plan
EE. Schedule Legislative Hearing for August 19, 2024 Meeting RE: Z 10-24
FF. Exception for Health Department - FY25
GG. Extra Duty Pay for Detention Center Officers
HH. Rowan County LEPC Bylaws update
II. Schedule Legislative Hearing for SNIA 03-24; Doug Foley, for August 19, 2024
JJ. Change Order #2 - WSP USA INC - Groundwater Monitoring

*~~KK. Schedule legislative hearing for Z 11-24 for August 19, 2024~~ (**removed from agenda**)*
*~~LL. Beacon (AMREP/Wastequip) Closing Document Package for BOC Approval~~ (**removed from agenda, later added back**)*
MM. Sole Source - Age of Learning, Inc.
NN. Sole Source PVP Communications - FY25
OO. Sole-Source Information, Inc. - FY25
PP. Removal of Sign-on Bonuses in Health Department and the Department of Social Services
QQ. New and Continued Positions in the Health Department
RR. Schedule Public Hearing for Road Naming-Thistle Grove Rd
SS. Adoption Fee Request
TT. Rowan County Leadership Academy
*UU. Updated Home Care and Community Block Grant Funding Chart (**Agenda addition**)*
*VV. Americans with Disabilities Act Contract (**Agenda addition**)*
*WW. Synergy Contract (**Agenda addition**)*

Public Comment Period

Chairman Edds opened the floor for Public Comment and closed it after everyone wishing to speak had done so.

Bobby Kemp, 250 Chalk Maple Road, China Grove, said he is concerned about veterans, seniors, and disabled. He is also concerned about property valuations. Commissioners are responsible for the tax rate. Prices are increasing and citizens don't have the money for increasing taxes. He announced his candidacy for County Commissioner.

Chairman Edds said there is issue in the State property tax code. Mr. Kemp challenged the Commissioners to investigate the code to see if seniors or others can receive tax relief. The State is the controlling body; the County cannot control this with the way the code is written. Legislation would need updating for the County to be able to control this rate. The County is unable to predict what effect this would have on the Annual Budget. The Board has been investigating the possibilities, but Rowan County alone isn't able to make these changes.

Greg Alcorn, 10 Pine Tree Road, Salisbury, said he is supportive of the financing of Knox Middle School. He referenced Consent Item G and said the application provided by the County is the most complete and professional one that is received.

Chairman Edds commended Mr. Alcorn for his work in the community.

Special Recognitions

Vice-Chairman Greene recognized the East Rowan Boys Baseball Team, coached by Brent Hatley, on their successful season and presented them with a proclamation.

On motion of Greene, seconded by Klusman, the Board voted 4-0 to approve a Proclamation Honoring the 2024 East Rowan High School Boys Baseball Team, as follows:

PROCLAMATION HONORING THE 2024 EAST ROWAN HIGH SCHOOL BOYS BASEBALL TEAM

WHEREAS, the East Rowan High School Boys Baseball Team, under Head Coach Brent Hatley, is hereby recognized and honored for their 2024 victorious baseball season; and

WHEREAS, by their extraordinary efforts, the following members of this dynamic and talented team are to be congratulated for their remarkable and triumphant season: Cobb Hightower, Logan Dyer, Harrison Ailshie, Mason Phelps, Joe Burleyson, Keaton Walker, Nathan Collins, Isaiah Osterhus, Aiden Shull, Hunter Goodman, Tyler Hill, Krys Hernandez, Nathan Chisholm, Josiah Ninteau, Wyatt Yon, Braden Shive, Will Klingler, McCall Henderson, Nate Hayworth, Sam Blackwelder, and Nolan Kirkpatrick; and

WHEREAS, due to their hard work, dedication, and their exceptional chemistry, this outstanding group of Mustangs finished out their season by claiming the 3A State Championship, which marked Coach Hatley's 100th career victory as head coach; and

WHEREAS, the individual contributions from each team member were crucial to the successful season, and the tremendous commitment and excellent performance of these young Rowan County men, along with their coaching staff, have proven to be a source of admiration and inspiration to the citizens of Rowan County.

NOW, THEREFORE BE IT PROCLAIMED, that the Rowan County Board of Commissioners does hereby honor and congratulate the East Rowan High School 2024 Boys Baseball Team and Coaching Staff for their incredible achievements and commends them for their display of sportsmanship and leadership as they represented Rowan County.

Vaya Health Update

Zack Shepherd, Community Relations Regional Director for Vaya Health, gave an update to the Board. He described the need to move North Carolina Medicaid to managed care and said Tailored Plans began on July 1, 2024. Tailored Plans cover the same services covered by NC Medicaid Direct. He explained the details of Tailored Plans and said they cover mental health, severe substance use, intellectual or developmental disabilities, traumatic brain injuries, and prescriptions in one plan. The name is changing, but the services are not.

Vaya Health manages Tailored Plans in Rowan County. There is only one Tailored Plan per county. A letter was mailed in mid-April informing members which Tailored Plan they are in, which is based on the county that manages the Medicaid benefits. Mr. Shepherd described what will be new in regards to a Tailored Plan versus what is staying the same. He gave examples of services offered by Tailored Plans. He introduced Vaya Total Care and explained what is new for members. He shared services and perks available for members. There will also be non-emergency Medicaid transportation for physical and behavioral health appointments. Mr. Shepherd pointed out ways that Vaya Total Care can assist members in finding needed services.

Vice-Chairman Greene confirmed that this is a federal program and ask how plans are tailored. Mr. Shepherd said there are regulations that must be followed, but there is specific support and flexibility available for local regions. Mr. Shepherd said funding is capitated.

Commissioner Klusman asked the definition of a member and Mr. Shepherd said that is anyone receiving Medicaid services through their plan. The first step is looking for Medicaid eligibility.

Public Hearing for Road Name Changes: Compton Drive, Friendship Lane

Shane Stewart, Assistant Planning and Development Director, said the following road name changes have been submitted to the Rowan County Planning Department and are presented for approval by the Board of Commissioners. As required by NCGS 153A-239.1, a public hearing must be held on August 5, 2024, to consider and receive comment for the following road name requests:

1. Currently Known As: No name driveway
   Proposed Name: Compton Drive
   Location: 11000 block of Shinn Road (SR 1749)
   Property Owners: Gina & William Compton
   Reason for Change: drive has one (1) addressed structure with plans for two (2) more structures sharing the same drive. Unanimous petition received, name choice approved by GIS and Emergency Services.

2. Currently Known As: No name driveway
   Proposed Name: Friendship Lane
   Location: 8600 block of Smith Road (SR 1360)
   Property Owners: Gary & Debbie Brumley, Kevin & Kristie Ingle
   Reason for Change: APA request for road naming due to the drive having two (2) addressed structures, with a possibility of a 3rd home, and the addresses on existing structures are out of sequence. Petition received from the Brumley's only, name choice approved by GIS and Emergency Services.

At 3:58 p.m. Chairman Edds opened the Public Hearing and closed it after no one wished to speak.

On motion of Greene, seconded by Klusman, the Board voted 4-0 to approve the road name changes for Compton Drive and Friendship Lane as presented.

Public Hearing and Findings Resolution for Limited Obligation Bonds for Rowan Salisbury Schools

Finance Director Anna Bumgarner said a public hearing must be held before approval of financing with limited obligation bonds for the Rowan Salisbury Schools new school project, repairs to various school roofs, and Kannapolis City Schools repairs to the elementary school. Public Notice was given for this public hearing on July 24, 2024. The total cost for these projects is estimated at $73,000,000.

Chairman Edds detailed the history of the new Knox Middle School and the partnership involved in funding and building.

At 4:03 p.m. Chairman Edds opened the Public Hearing and closed it after no one wished to speak.

Commissioner Caskey asked about the cost breakdown and Ms. Bumgarner explained how the costs were totaled. County Manager Aaron Church explained how costs changed over time. Chairman Edds shared his interpretation of how the costs factored in to the total.

Rowan County Schools Superintendent Kelly Withers clarified that no part of this projected cost deals with Overton Elementary School. She explained the costs by project.

Commissioner Caskey clarified where students attended middle school when Knox closed. Dr. Withers said Overton is currently Kindergarten through 5^{th} Grade, but it will become Pre-kindergarten through 2^{nd} Grade. Dr. Withers said drawings were presented to the School Board in late fall. The new school will open in the autumn of 2026.

Vice-Chairman Greene asked how many "pre-K" students are anticipated and Dr. Withers said ten to twelve classes. These classes are a priority for the school system. Vice-Chairman Greene commended Dr. Withers for offering pre-kindergarten classes.

Commissioner Caskey confirmed that no additional elementary schools will close and Dr. Withers affirmed. The project has changed scope multiple times over the years. Two of the schools that accepted students when Knox closed are now over 90% capacity. Chairman Edds said this was originally a $40 million project but things changed.

Commissioner Caskey asked if an interest rate cut is predicted.

Amy Vitner, Managing Director of First Tryon Advisors, said there may be a rate cut ahead but as soon as the market trends in that direction, the cut is built in. It can be challenging to get on the calendar with the Local Government Commission. There are a few items that could push the process back. She suggested not trying to "time the market" as things can quickly change.

Ms. Bumgarner said this will be a public sale, not installment financing. Ms. Vitner explained the difference between the public and private markets as a financing tool. The public market was recommended as a cost savings avenue.

Chairman Edds asked when the rate would be locked in and Ms. Vitner said mid-September is when the bonds are sold. An underwriter would need to be hired for a public sale. Chairman Edds asked if the bond rating would affect the rate and Ms. Vitner said the county is in a favorable position.

Vice-Chairman Greene asked who the bonds are sold to. Ms. Vitner said it could be investment money manager accounts, hedge funds, municipal bond funds, and others. The bonds may be sold in the secondary market. The county's interest rates are held for twenty years. Retail investors are able to purchase these bonds if so desired.

Commissioner Caskey asked if the total funding would be issued at once and Ms. Vitner said yes but the money could be invested over the period of construction time. Currently the county could earn more than the cost of the debt.

Chairman Edds asked what the target rate might be and Ms. Vitner said below 4%, maybe 3.75% for a twenty year transaction.

On motion of Edds, seconded by Greene, the Board voted 4-0 to approve the findings resolution titled Resolution authorizing the filing of an application for approval of an installment financing contract authorized by North Carolina General Statutes § 160A-20 and making certain findings required by North Carolina General Statutes § 159-151, as follows:

RESOLUTION AUTHORIZING THE FILING OF AN APPLICATION FOR APPROVAL OF AN INSTALLMENT FINANCING CONTRACT AUTHORIZED BY NORTH CAROLINA GENERAL STATUTES § 160A-20 AND MAKING CERTAIN FINDINGS REQUIRED BY NORTH CAROLINA GENERAL STATUTES § 159-151

WHEREAS, the County of Rowan, North Carolina (the "County") proposes to finance (a) the construction and equipping of a new school in the Rowan-Salisbury School System to be located at 1625 Park Road West, Salisbury, NC 28144 (the "New School Project"), (b) the design, construction and equipping of roofing projects at various schools within the Rowan-Salisbury School System (the "Roofing Projects"), (c) the construction and equipping of an addition to Fred L. Wilson Elementary School of the Kannapolis City Schools (the "Wilson Elementary Project" and, together with the New School Project and the Roofing Projects, the "Project"); and

WHEREAS, it is anticipated that the cost of financing the Project, which may include issuance expenses in connection therewith, will not be more than $73,000,000; and

WHEREAS, the County expects to finance the Project through an installment financing and the issuance of limited obligation bonds, which will be secured by a deed of trust on the site of the New School Project; and

WHEREAS, financing the Project pursuant to N.C.G.S. § 160A-20 must be approved by the North Carolina Local Government Commission (the "LGC") and will only be approved if the findings of N.C.G.S. § 159-151(b) have been made; and

WHEREAS, the Board of Commissioners of the County (the "Board of Commissioners") has this day held a public hearing with respect to the financing of the Project pursuant to N.C.G.S. § 160A-20, as evidenced by the Certificate and Summary of Public Hearing attached hereto as Exhibit A;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the County, as follows:

1. *After consideration, the Board of Commissioners has determined that the most advantageous manner of financing the Project is by one or more*

installment financing contracts (which may be in the form of limited obligation bonds) pursuant to Section 160A-20 of the General Statutes of North Carolina, as amended. In support thereof, the Board of Commissioners hereby makes the following findings of fact:

- *(a) The proposed financing is necessary or expedient because of the need to replace or repair aging school facilities within the Rowan-Salisbury School System and Kannapolis City Schools.*
- *(b) The proposed financing is preferable to a general obligation bond financing for the same purpose because of the cost and time required to hold a referendum, and because the New School Project is ready to begin construction, the design and bidding of the Roofing Projects is expected to be substantially completed by December 2024, and the Wilson Elementary Project has been bid and begun construction.*
- *(c) The cost of the proposed undertaking exceeds the amount of funds that can be prudently raised from currently available appropriations, unappropriated fund balances, and non-voted general obligation bonds that could be issued by the County pursuant to Article V, Section 4, of the North Carolina Constitution. As no portion of the Project produces revenue, the issuance of revenue bonds to support the Project is not possible.*
- *(d) The cost of financing under the proposed installment financing contract will not be materially greater than the cost of issuing general obligation bonds.*
- *(e) The sums proposed to be provided under the financing are adequate and not excessive for the stated purpose of financing the Project.*
- *(f) The County's debt management procedures and policies are good and have been carried out in strict compliance with law and will henceforth be so carried out.*
- *(g) There will be no increase in taxes necessary to meet the sums to fall due under the proposed financing.*
- *(h) The County is not in default in any of its debt service obligations.*

2. *Pursuant to N.C.G.S. § 160A-20, the County, through its staff, is hereby authorized to proceed with the financing of the Project by negotiating installment financing contracts (whether one or more, the "Contract") that will be secured by a deed of trust on the site of the New School Project, and the issuance of limited obligation bonds payable from payments under the Contract pursuant to a trust agreement. The County's staff is hereby authorized and directed to work with First Tryon Advisors, the County's financial advisor, Truist Securities, Inc. and Hilltop Securities Inc., as the County's underwriters, and the other members of the working group to finalize the Contract, the deed of trust, the trust agreement pursuant to which the limited obligation bonds will be issued, the official statement related to the offering and sale of the limited*

obligation bonds, and all other documents and certificates required in connection with the financing.

3. *The attorney for the County will render an opinion that the financing of the Project is authorized by law and constitutes a purpose for which public funds may be expended pursuant to the Constitution and laws of the State of North Carolina.*
4. *Each of the County Manager, the County Finance Director and other appropriate officers of the County is hereby authorized and directed to file an application with the LGC for its approval of the financing described above in a principal amount not to exceed $73,000,000, and the actions of any of the Page 685 of 699 3 County Manager, the County Finance Director, and other officers of the County in connection therewith are hereby approved and confirmed.*
5. *All other acts of the Board of Commissioners and the officers of the County which are in conformity with the purposes and intent of this resolution and in furtherance of the financing of the Project are hereby ratified, approved and confirmed.*
6. *The County intends that the adoption of this resolution be its declaration of official intent pursuant to Treasury Regulations Section 1.150-2, or any successor or substitute Treasury Regulations which may be promulgated hereafter, and is intended to expressly declare the County's intention to reimburse itself for any costs of the Project heretofore paid by the County, such reimbursement to be made with the proceeds of tax-exempt bonds or other indebtedness (including, but not limited to the limited obligation bonds described herein) in an amount currently expected not to exceed $73,000,000. All such expenditures to be reimbursed by the County, except to the extent permitted by applicable Treasury Regulations relating to certain preliminary expenditures or de minimis amounts, were paid no more than 60 days prior to, or will be paid on or after the date of, this declaration of official intent.*
7. *This resolution shall take effect immediately.*

Approval of Underwriters for Limited Obligation Bond Sale

Finance Director Anna Bumgarner said Rowan County wishes to finance the Rowan Salisbury Schools (RSS) new school and roof repairs and KCS school repairs with limited obligation bonds. Given the size of the aggregate transaction and current interest rate environment, the County's financial advisor, First Tryon, is recommending that the bonds be sold as Limited Obligation bonds through a public sale process which will necessitate the hiring of a senior underwriter and co-managing underwriter. First Tryon conducted a proposal process for underwriters and is recommending Truist Securities as senior manager and Hilltop Securities, Inc as a co-manager.

Chairman Edds asked about the process of selecting an underwriter and Ms. Vitner explained the process and how the firms work. The proposed firm has the financial ability to underwrite this bond for the County.

On motion of Edds, seconded by Caskey, the Board voted 4-0 to award underwriting services to Truist Securities as senior manager and Hilltop Securities, Inc as a co-manager and authorizes the County Manager and/or Finance Director to sign any needed agreements for services.

Board Appointments

On motion of Greene, seconded by Klusman, the Board voted 4-0 to appoint Andrea Baucom to the At Large Seat on the Parks and Recreation Board.

At 4:36 p.m. Chairman Edds called for a recess.

At 4:43 p.m. the Board reconvened.

Chairman Edds explained that two items that were removed from the Consent Agenda at the beginning of the meeting should have been moved to the Active Agenda rather than removed. These were Consent Item T *(Subdivision Plat Approval for Beacon Acquisitions LLC*), and Consent Item LL *(Beacon AMREP/Wastequip Closing Document Package for BOC Approval)*. Chairman Edds explained the two items and said Item LL *(Beacon AMREP/Wastequip Closing Document Package for BOC Approval)* will be modified to say that the sale to Beacon will be approved subject to written notification of AMREP's and Beacon's intent to close.

On motion of Edds, seconded by Greene, the Board voted 4-0 to reconsider the agenda.

On motion of Edds, seconded by Greene the Board voted 4-0 to add previously removed Consent Item T (Subdivision Plat Approval for Beacon Acquisitions LLC) and previously removed Consent Item LL (Beacon AMREP/Wastequip Closing Document Package for BOC Approval) to the active agenda for reconsideration.

On motion of Edds, seconded by Klusman, the Board voted 4-0 to approve the sale of property to Beacon subject to written intent to close by AMREP and Beacon.

Adjournment

At 4:47 p.m., on motion of Greene, seconded by Klusman, the Board voted 4-0 to adjourn.

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Sarah Pack, NCCCC
Clerk to the Board