

**ROCKINGHAM COUNTY BOARD OF COMMISSIONERS  
REGULAR MEETING – JANUARY 22, 2019 – 6:30 P.M.**

The Rockingham County Board of Commissioners met in regular session on January 22, 2019, 6:30 p.m., Governmental Center, Commissioners Chambers, Wentworth, North Carolina. Present were Chairman A. Reece Pyrtle, Jr.; Vice-Chairman, Mark F. Richardson; Commissioners Kevin Berger, T. Craig Travis, and Charlie G. Hall, III; Lance L. Metzler, County Manager; John M. Morris, County Attorney; Keli G. Watkins, Clerk to the Board; citizens and members of the local news media.

**ITEM #1 – MEETING CALLED TO ORDER**

Chairman Pyrtle called the meeting to order.

**ITEM #2 – INVOCATION**

Invocation was given by Pastor Clint Little, Interim Pastor, Calvary Baptist Church, Reidsville, North Carolina

**ITEM #3 – PLEDGE OF ALLEGIANCE**

Commissioner Hall led the Pledge of Allegiance.

**ITEM #4 – APPROVAL OF JANUARY 22, 2019 AGENDA**

Commissioner Richardson moved, Commissioner Berger seconded and the vote was unanimous to approve the January 22, 2019 agenda with the deletion of Item #9, "Consider Approval of Resolution Authorizing Sale of Governmental Property to a Governmental Unit".

**ITEM #5 – APPROVAL – CONSENT AGENDA**

Commissioner Berger moved, Commissioner Hall seconded and the vote was unanimous to approve the Consent Agenda as presented.

**ITEM #5 (a)(1)(i) – AIRPORT CAPITAL PROJECT – BUDGET REVISION /  
ADOPTION OF CAPITAL PROJECT ORDINANCE**

Commissioner Berger moved, Commissioner Hall seconded and the vote was unanimous to approve Airport Capital Project budget revision to increase budget of Apron Rehabilitation Project (7.8.2.) by \$18,721 due to award of additional grant funds with a \$2,081 required local match currently available in the Airport Capital Project Fund, as well as to adopt Capital Project Ordinance. No additional County funds requested. Total project budget after amendment is \$1,116,802. A copy of revision shall follow these minutes for reference. A copy of Capital Project Ordinance shall be incorporated into Ordinance Book, filed with Clerk to the Board.

**ITEM #5 (a)(1)(ii) – AIRPORT CAPITAL PROJECT – BUDGET REVISION /  
ADOPTION – CAPITAL PROJECT ORDINANCE**

Commissioner Berger moved, Commissioner Hall seconded and the vote was unanimous to approve Airport Capital Project budget revision to increase budget of Runway Rehabilitation Project (7.9.1.) by \$800,000 due to award of additional grant funds with no local match required. No additional County funding requested. Total project budget after amendment is \$4,400,000. A copy of revision shall follow these minutes for reference. Said Capital Project Ordinance shall be incorporated into the Ordinance Book filed with the Clerk to the Board.

**ITEM #5 (a)(2) – HEAD START – BUDGET REVISION**

Commissioner Berger moved, Commissioner Hall seconded and the vote was unanimous to approve budget revision for Head Start to increase budget \$41,965 due to increase in grant appropriation for FY 2018-2019 cost-of-living adjustment (COLA) approved by Head Start Federal Program. No County funding requested. A copy of revision shall be incorporated into these minutes for reference.

**ITEM #5 (a)(3) – SHERIFF'S DEPARTMENT – BUDGET REVISION**

Commissioner Berger moved, Commissioner Hall seconded and the vote was unanimous to approve budget revision for the Sheriff's Department to increase budget \$9,999 for the 2017 LEO Block Grant awarded in December 2018. Grant funds were awarded for the purchase of handheld radios and accessories. No matching funds required. Revision shall follow these minutes for reference.

**ITEM #5 (a)(4) – SOCIAL SERVICES – BUDGET REVISION**

Commissioner Berger moved, Commissioner Hall seconded and the vote was unanimous to approve budget revision for Social Services to increase budget \$90,517 for increase in FY 2018-2019 Low Income Energy Assistance Funds awarded to the County over original budget. No additional County funds required. A copy of revision shall follow these minutes for reference.

**ITEM #5 (b)(1) – PUBLIC HEALTH – BUDGET REVISION**

Commissioner Berger moved, Commissioner Hall seconded and the vote was unanimous to approve budget revision for Public Health to increase Child Health fund \$7,742 due to State/Federal grant received for Activity 351 Child Health. No County funding requested. A copy of revision shall follow these minutes for reference.

**ITEM #5 (b)(2) – PUBLIC HEALTH – BUDGET REVISION**

Commissioner Berger moved, Commissioner Hall seconded and the vote was unanimous to approve budget revision for Public Health to decrease CBCCCP fund \$5,940 due to reduction of State grant funding of CVD Wisewoman Program. A copy of revision shall follow these minutes for reference.

**ITEM #5 (b)(3) – PUBLIC HEALTH – BUDGET REVISION**

Commissioner Berger moved, Commissioner Hall seconded and the vote was unanimous to approve budget revision for Public Health to decrease WIC fund \$212 due to reduction of State grant funding for the program. A copy of revision shall follow these minutes for reference.

**ITEM #5 (b)(4) – PUBLIC HEALTH – BUDGET REVISION**

Commissioner Berger moved, Commissioner Hall seconded and the vote was unanimous to approve budget revision for Public Health to decrease Pharmacy fund \$3,174 due to reduction of State/Federal grant funding of Activity 514 NC Public Health Emergency Preparedness Agreement Addenda Revision #1. A copy of revision shall follow these minutes for reference.

**ITEM #5 (c)(1) – TAX DEPARTMENT – APPROVAL –  
TAX COLLECTION AND RECONCILIATION REPORT – NOVEMBER 2018**

Commissioner Berger moved, Commissioner Hall seconded and the vote was unanimous to approve the Tax Collection and Reconciliation Report, November 2018, presented by the Rockingham County Tax Administrator. A copy of same shall be filed with the Clerk to the Board.

**ITEM #5 (c)(2) – TAX DEPARTMENT – ORDER DIRECTING TAX COLLECTOR TO ADVERTISE UNPAID 2018-2019 PROPERTY TAXES**

Commissioner Berger moved, Commissioner Hall seconded and the vote was unanimous to approve Order Directing Tax Collector to Advertise Unpaid 2018-2019 Property Taxes as directed by NCGS 105-369. A copy of Order shall be filed with the Clerk to the Board.

**ITEM #5 (c)(3) – TAX DEPARTMENT – APPOINTMENT – DEPUTY TAX COLLECTOR**

Commissioner Berger moved, Commissioner Hall seconded and the vote was unanimous to appoint Steven Younts as Deputy Tax Collector; such term to expire June 30, 2019, coinciding with Tax Collector's term of office.

**ITEM #5 (d) – APPROVAL – 2018 ANNUAL REPORT – COMMUNITY CHILD PROTECTION**

Commissioner Berger moved, Commissioner Hall seconded and the vote was unanimous to approve the 2018 Annual Report for Community Child Protection, submitted by Cathy Murray, Services Program Manager for Division of Social Services. A copy of report shall be filed with the Clerk to the Board.

**ITEM #6 – PUBLIC COMMENT**

Prior to hearing comments from citizens, Mr. Metzler, County Manager, read the rules for Public Comment. The following individual appeared to speak:

- 1) Richard (Tim) Shelton – Spoke against persons living in uninhabitable storage buildings

**ITEM #7 (a) – PUBLIC HEARING – PERFORMANCE AGREEMENT – SANS TECHNICAL FIBERS, LLC**

Chairman Pyrtle announced this was a duly advertised public hearing to consider approval of an appropriation from the general fund in an amount not to exceed \$73,626 to be distributed to Sans Technical Fibers, LLC over a five (5) year period in annual installments following project parameters. Project is located at 4721 NC Hwy 770 E, Stoneville, NC. Ken Allen, Assistant Director, Economic Development, Small Business and Tourism, as well as Corey Bowman, Operations Manager, Sans Technical Fibers, LLC, were available for questions and/or comments. No one appeared in opposition. The purpose for such incentive package shall be a contractual obligation by the Company to invest \$4,938,600 in net new taxable machinery and equipment and building improvements by December 31, 2019. The Company currently employs 110 full-time employees and agrees for the benefit of the County and the Town of Stoneville to create, fill and maintain an employment level of 25 additional full-time positions by December 31, 2019 for a total of 135 full-time positions. The Company agrees to maintain the investment level and 135 full-time positions, from the agreed creation dates, until December 31, 2024. Commissioner Travis moved, Commissioner Hall seconded and the vote was unanimous to approve Performance Agreement for Sans Technical Fibers, LLC. A copy of Agreement shall be filed with the Clerk to the Board.

**ITEM# 7 (b) – PERFORMANCE AGREEMENT – BANNER GLT, LLC/SPEEDLINE CORPORATION**

Chairman Pyrtle announced this was a duly advertised public hearing to consider approval of a cash grant to be dispersed to Banner GLT, LLC/Speedline Corporation in the amount of \$6,520 (\$3,125 each from the County and the City of Reidsville), which is 5% of the grant amount of \$125,000 from the North Carolina Department of Commerce's Rural Center's Building Reuse grant program. Ken Allen, Assistant Director, Economic Development, Small Business and Tourism, was available for questions and/or comments. No one appeared in opposition. The Company currently employs 29 full-time employees. The Company agrees for the benefit of the community to create, fill and maintain an employment level of

10 additional full-time positions (five full-time positions each year for two years) by December 31, 2020 for a total of 39 full-time positions and maintained for a period as outlined in the project parameters. The project will be located at 109 Sands Road, Reidsville, NC situated on 17.41 acres. Commissioner Richardson moved, Commissioner Hall seconded and the vote was unanimous to approve Performance Agreement for Banner GLT, LLC/Speedline Corporation. A copy of Agreement shall be filed with the Clerk to the Board.

## **ITEM #8 – PRESENTATION OF FY 2017-2018 FINANCIAL AUDIT**

Tom McNeish, Auditor, Elliott Davis Firm, presented the FY 2017-2018 Financial Audit For Rockingham County, which contained the following:

### **General Fund**

- Revenues of \$86.4 million
  - Decreased by \$3.1 million or 3.5% from the prior year and were below budget by \$4.9 million or 5.4%
- Expenditures of \$79.2 million
  - Decreased by \$4.2 million or 5.0% from the prior year and were below budget by \$13.4 million or 14.5%
- Fund Balance of \$32.1 million
  - Increased by \$2.2 million or 5.6% over the prior year including net transfers out of approximately \$5 million

### **Fund Balance**

- 2018 Unassigned Fund Balance
  - Expenditures and transfers out for 12 months was \$84,296,902
  - Estimated monthly expenditures approximately \$7,024,742
  - Unassigned Fund Balance in General Fund was \$19,902,250
  - Estimated months of available General Fund Balance was 2.83
  - Fund Balance as a percentage of General Fund expenditures was 24%
- 2017 Unassigned Fund Balance
  - Expenditures and transfers out for 12 months was \$87,979,617
  - Estimated monthly expenditures approximately \$7,331,635
  - Unassigned Fund Balance in General Fund was \$17,658,214
  - Estimated months of available General Fund Balance was 2.41
  - Fund Balance as a percentage of General Fund expenditures was 20%
- GFOA recommends a reserve of no less than 2 months of general fund operating expenditures
- LGC recommends a reserve of at least 8% of General Fund
- Rockingham County Fund Balance Policy requires a reserve of 16% of General Fund expenditures

### **Water Fund**

- Operating revenues of \$479,000 increased by \$86,000 or less than 21.8% over the prior year
- Operating expenses of \$613,000 decreased by \$9,100 or 1.4% from the prior year
- Net position of \$10.6 million increased by \$5.7 million including \$479,000 in transfers-in and a \$93,000 restatement to adjust the County's OPEB liability
- Cash of \$6.1 million increased by \$5 million over the prior year
  - \$650,600 in cash provided from operations
  - \$5.5 million provided by government grants
  - \$1.3 million used in the construction of capital assets
  - \$368,000 used to pay debt service

### **Sewer Fund**

- Operating revenues of \$507,000 increased by \$105,000 or 26% over the prior year
- Operating expenses of \$656,000 increased by \$4,600 or less than 1% over the prior year

- Net position of \$5.3 million decreased by \$193,000 including \$483,000 in net transfers-in, and a -\$93,000 restatement to adjust the County's OPEB liability
- Cash of \$480,000 increased by \$733 over the prior year
  - \$45,000 in net cash provided from operations
  - \$483,000 provided from transfers
  - \$396,000 used to pay debt service
  - \$130,000 used in the construction of capital assets

#### Landfill Fund

- Operating revenues of \$4.1 million increased by \$9,800 or less than 1% over the prior year
- Operating expenses of \$5.7 million increased by \$1.5 million or 39% over the prior year
- Net position of \$19 million decreased by \$1.7 million including an \$813,000 restatement to adjust the County's OPEB liability
- Cash of \$15.5 million decreased by \$455,000 from the prior year
  - \$21,000 in net cash used for operations
  - \$526,000 provided from the sale of timber
  - \$1,184,000 used in the construction of capital assets

#### Independent Auditor's Report

- Auditor's responsibility: to express an opinion on the County's financial statements
- Managements responsibility
  - To prepare and present the financial statements in accordance with US GAAP
  - To maintain internal controls relevant to the preparation and presentation of financial statements that are free from material misstatement
- We have expressed an unmodified opinion on the County's financial statements

#### Report on Internal Control over Financial Reporting and on Compliance

- We considered the County's internal control over financial reporting to determine appropriate audit procedures.
- We performed certain tests for noncompliance which could have a direct and material effect on the determination of financial statement amounts.
- We are required to report internal control deficiencies that are considered to be significant deficiencies or material weaknesses.

#### Independent Auditor's for Each Major Federal (and State) Program & Report on Internal Control over Compliance

- Auditor's responsibility: to express an opinion on the County's compliance with the requirements of its major federal and state programs
- Managements' responsibility
  - For compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.
  - To maintain internal controls over compliance with compliance requirements applicable to its federal and state programs
- We have expressed an unmodified opinion on the County's compliance with the requirements applicable to its major federal and state grants

#### Financial Statement Findings

- 2018-001 Pre-Audit Certification
- 2018-002 Unclaimed Property

#### Federal Award Findings

- 2018-003 Approval of Allowable Activities and Costs

The Board thanked Mr. McNeish and Rockingham County staff. Mr. Metzler thanked Pat Galloway, Director of Financial Services for Rockingham County, and her staff for a job well done.

**ITEM #9 – CONSIDER APPROVAL –  
RESOLUTION AUTHORIZING SALE OF GOVERNMENTAL PROPERTY TO  
A GOVERNMENTAL UNIT**

This item was pulled from the agenda.

**ITEM #10 – CREATION – ROCKINGHAM COUNTY FAIR AND FOLK FESTIVAL**

Mr. Rusty Gray and Mr. Charles Menard spoke to the Board about creating a Rockingham County Fair and Folk Festival. Mr. Gray gave background on previous festivals showcased in the County and how citizens have questioned why the County has not had another one. He stated that a County Fair and Folk Festival will showcase the agriculture, products, talent, textiles, and history of the County.

**ITEM #11 – NEW BUSINESS**

No New Business items.

**ITEM #12 – COMMISSIONER COMMENTS**

a) Commissioner Hall

It's been a good evening. The positive audit findings are a good thing and again, I appreciate the staff for their hard work on that.

b) Commissioner Berger

I appreciate you all coming out tonight. I want to recognize Grayson Gray for being here. He's with the Boy Scouts and is actually earning his Citizenship and Community Merit Badge by being in attendance tonight. Congratulations Grayson.

c) Commissioner Travis

I want to thank everyone for being out. With the cold weather, I encourage everyone to check on the elderly and disabled. If you need any help or find some problems, please let the County or the Sheriff know so we can get people the help they need. Thank you for coming.

d) Commissioner Richardson

Congratulations to the staff on an outstanding audit report. It makes us all a little more comfortable up here. I've had several complaints lately about litter, and I know they're valid. It's pretty trashy and I know people are reticent to get out in the cold weather and do things, but the ideal thing is for us to encourage all our citizens to not allow that litter and trash to get on our highways. I'd also like to encourage the public to participate in our Volunteer of the Month Program. All of the Commissioners' Volunteers of the Month come from the public at large; so, if you see one of our citizens here in the County doing something that is of great service to their neighbor, let the Commissioners' Clerk know and she'll get that into the right hands. Also, I'm your liaison to the RCC Board of Trustees and I've been asked to share with the public at large some general information. We are doing better than anticipated on the quarter cent sales tax and there will be some announcements very shortly from RCC about the details of some of the programs; but they're going to include a building program that will include an Advanced Technologies building that I think will be the envy of the local area and also provide some great opportunities for our young people. In addition, there will be maintenance and upgrades on the existing facilities. Our Cosmetology and Beautician School are in desperate need of an upgrade and are in much demand. We need to provide some stylized and tailored services for much needed CNA candidates from the County, as well as for other medical fields. So, look for those to be coming out of RCC in the near future. And if you have questions concerning what's going on with your quarter cent, let us know either directly or through the County Manager because we want to be very transparent with that. Finally, it's cold outside. You may have pets, senior citizens or youth. Let's keep an eye out and not let some tragedy occur because of this cold weather. Thank you much.

e) Commissioner Pyrtle

I would like to recognize Sheriff Sam Page, one of our elected officials here tonight; also Mr. Doug Isley with the Board of Education and Ms. Bonnie Purgason with the Board of Elections. Thank you for being here. The thing about going last is that everything has already been said once it's your turn to speak. Make sure you check on your neighbor. We've got cold weather, and one of the things we talked about all the time when I was a police officer was please check on your neighbors. It's cold weather and we just need to look out for each other. Also, littering; yes, I received some calls about littering over the past few weeks. It's something I can say that over the course of my law enforcement career, I never gave anyone a break for littering. It was a pet peeve of mine then and continues to be. So please be a good steward of our community. If you see someone out there who is littering, make sure you contact local authorities or call the Sheriff and he will make sure to address the issue. Last thing is I appreciate you, Rusty, for coming out tonight and coming forward to look into doing something to make our communities a little bit better and for all the citizens of Rockingham County. I think it's a good idea

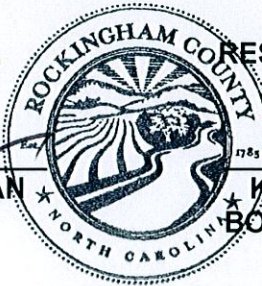
**ITEM #13 – RECESS**

Commissioner Hall moved, Commissioner Berger seconded and the vote was unanimous to recess this meeting at 7:18 p.m. until Monday, January 28, 2019, 9:00 a.m., Commissioners Chambers, to hold a FY 2019-2020 Rockingham County Budget Planning Retreat.

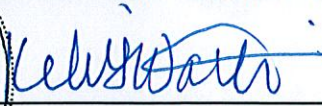
MINUTES READ AND APPROVED,



A. REECE PYRTLE, JR., CHAIRMAN  
BOARD OF COMMISSIONERS



RESPECTFULLY SUBMITTED,



KELI G. WATKINS, CLERK  
BOARD OF COMMISSIONERS