

Wake County

*301 South McDowell Street
Raleigh, NC*



Meeting Minutes

Monday, December 3, 2018

5:00 PM

Wake County Justice Center

Board of Commissioners

Meeting Called to Order: Denise Hogan, Clerk to the Board Presiding

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

Others Present: David Ellis, County Manager; Scott Warren, County Attorney; Emily Lucas, Chief Financial Officer; Denise Hogan, Clerk to the Board; Yvonne Gilyard, Deputy Clerk to the Board; Johnna Rogers, Chief Operating Officer; Chris Dillon, Assistant County Manager; Nicole Kreiser, Assistant County Manager; Denise Foreman, Assistant County Manager; Ben Canada, Assistant to the County Manager.

Presentation of Colors, National Anthem and Pledge of Allegiance**Invocation: Reverend Jasper Wilkins**

Rev. Jasper Wilkins offered the invocation.

Items of Business**1. Oath of Office for Wake County Commissioners**

Judge Lucy Inman administered the Oath of Office for Commissioner Sig Hutchinson.

Judge Inman said that before she knew Commissioner Hutchinson he was called "Mr. Geenjeans." She shared many accolades for Vice Chair Hutchinson. She said that she was glad to be here to present the oath.

Vice Chair Hutchinson thanked his wife Nancy and said that he could not do this work without her. He also thanked the Wake County staff and said they are the most professional staff he has worked with in his 40 years. He thanked his friends and supporters of Wake County for allowing him to serve for the past 20 years.

Judge Keith O. Gregory administered the Oath of Office for Commissioner Matt Calabria.

Judge Gregory said that he was grateful for the opportunity to administer the oath to Commissioner Calabria.

Commissioner Calabria said that he was excited for the occasion, but more than anything, he is grateful. He thanked his wife Molly and daughter Eleanor for their support. He thanked those that contributed their time while he was on the commission. He thanked his mom and dad and celebrated his father, who passed away a few days ago. He said his dad was an educator and he thinks of him often as he does his work on the commission. He thanked Ms. Lindy Brown and Ms. Frann Sarpolus for running honorable campaigns. He gave high remarks to Wake County because of its staff and its residents. He said it is important to make sure that everyone can participate in the prosperity of the work of the county.

Judge Morgan administered the Oath of Office for Chair Jessica Holmes.

Judge Morgan said he is honored to administer the oath and thanked Chair Holmes for allowing him the opportunity.

Judge Morgan congratulated Chair Holmes. Chair Holmes said that she wishes that the energy that her niece had was infectious. She said that four years ago, she was a different person. She talked about the promises that she made and the promises that were kept. She said that two years ago, she fell down, but she got back up. She quoted a song as it relates to falling down. She said that today, she is stronger.

Judge Louis Meyer administered the Oath of Office for Commissioner-elect Susan Evans.

Commissioner Susan Evans thanked everyone. She said that there were many people in the room that have been on the journey with her. She said that they were the wind beneath her wings. She said that serving in Wake County is an honor. She thanked her family and her husband and said that she is looking forward to serving on the board with people that she already knows.

Ms. Denise Hogan, Clerk to the Board, administered the Oath of Office for Commissioner James West. Ms. Hogan said it was an honor and privilege to administer the oath.

Commissioner West said that he reflected about this moment. He said that this was the 16th time he has been sworn into a public office. He said that it does not change his commitment to serving. He said he lives his life to help others improve the quality of their lives. He said that no matter how many

terms he serves, his humanity remains high as it pertains to the responsibility of serving. He said that as a body, the board has the opportunity for a new beginning and that transition can move to greater heights. He said that he is very proud of the board. He thanked his wife Sylvia and said that she is the wind beneath his wings. He thanked the staff and said that he was going to run on and see what the end would be.

Judge John Arrowood administered the Oath of Office for Commissioner Greg Ford.

Commissioner Ford thanked Judge Arrowood for administering his oath. He thanked his family, his husband and best friend Anthony for supporting him. He acknowledged his children and said that the decisions made in this room are because of them and the generations to come. He thanked his supporters and friends for their support and help on his campaign. He said their dedication is an affirmation of the values of the community.

Judge Craig Croom administered the Oath of Office for Commissioner-elect Vickie Adamson.

Judge Croom said that in the 2014 election, Ms. Adamson worked a poll for him all day long. He said that it was his pleasure to administer the oath for her today.

Commissioner Adamson said that this has been a long time coming. She thanked everyone for coming out and for believing in her. She thanked her husband for his support and said that he is a great political husband. She said that supporting schools motivates her. She said for her generation, options are limited for women and the odds were against her. She said she was able to succeed because of her mother's desire to give her daughters a better life than she had. She said that a strong public education system made that possible. She shared the quote "to who much is given, much is expected." She said she believes that and feels she has been given a lot, so she can help others.

2. Oath of Office for the Wake Soil and Water Conservation District Board

Judge Ashleigh Parker-Dunstan administered the Oath of Office for Nervahna Crew, Wake Soil and Water Conservation District Board. Judge Parker-Dunstan said Ms. Crew loves her family, this county and people. Ms. Crew thanked her mom and her son for their support. She said that she is a proud single mother to a 13-year-old son. She thanked her family for their support. She said that about a year ago, she became

interested in Soil and Water and recently found out that she is the first black woman to be elected to this position.

Judge Craig Croom administered the Oath of Office for Patrick Johnson, Wake Soil and Water Conservation District Board. Mr. Johnson thanked the current board supervisors for his re-election.

Judge Linda Stephens administered the Oath of Office for Jennifer Wadsworth, Wake Soil and Water Conservation District Board. Judge Stephens said that she was grateful for the opportunity to administer the oath to Ms. Wadsworth. She said that she has known her for 13 years. She said that she has observed her deep commitment to Wake County.

Ms. Wadsworth said that it has been an honor to serve for the last 8 years. She said that she is humbled to be able to do so. She thanked the voters and supporters as well as her parents. She also thanked her boyfriend for his support. She said that this race had been about the people and good public policy. She said that she is proud to call Wake County home. She thanked the judge for swearing her in and the Soil and Water District staff for their amazing work.

Dale Threatt-Taylor, Wake Soil and Water Conservation District Supervisor, said the Soil and Water District has been active since 1937.

3. Election of Chair of the Board for a Term of One Year - Denise Hogan, Clerk to the Board, calls for nominations for Chair. The new Chair is elected and then presides over the meeting

Denise Hogan, Clerk to the Board, called for nominations.

Commissioner West said this is very special to him and he is honored to nominate Commissioner Holmes to serve as Chair for another year. No other nominations were brought forth. Commissioner West closed the nominations.

Commissioner West moved, seconded by Commissioner Ford to close the nominations and confirm by affirmation to elect Commissioner Holmes to serve as Chair for another year. The motion passed unanimously.

4. Election of Vice-Chair for a Term of One Year - Chair Presides over Election
Chair Holmes called for nominations.

Chair Holmes nominated Commissioner Greg Ford. She said Commissioner Ford is a man of integrity.

No other nominations were brought forward.

Commissioner West moved to close the nominations.

Mr. Scott Warren, County Attorney, said no motion is necessary as the nomination is by acclamation. He said a vote is necessary and it carried unanimously.

Vice-Chair Ford thanked the Commissioners for their trust and support. He thanked Chair Holmes for the kind words and the nomination. He said he is truly grateful for the opportunity to serve as Vice-Chair. He said he is a firm believer in servant leadership and looks forward to working with other board members to accomplish the county goals. He said staff is wonderful and he looks forward to this service.

Chair Holmes asked that board members stand and join hands in a show of unity.

At this time, Chair Holmes recessed the meeting for a reception.

The meeting went into recess and the meeting reconvened.

5. Approval of Agenda

Vice-Chair Ford moved, seconded by Commissioner Calabria, to approve the agenda. The motion passed unanimously.

6. Approval of the Minutes of the Regular Meeting of November 19, 2018 and the Work Session of November 13, 2018

Vice-Chair Ford moved, seconded by Commissioner West, to approve of the minutes of the Regular Meeting of November 19, 2018 and the Work Session of November 13, 2018. The motion passed unanimously.

8. 2018 Enloe Charity Ball Resolution

Attachments: [Enloe Charity Ball 2018 Item Summary.docx](#)
 [Enloe Charity Ball 2018 Resolution.docx](#)

Students from Enloe High School were present to receive the Charity Ball resolution. Vice Chair Greg Ford opened the floor to comments prior to the reading of the resolution. Mr. George Barilich, Teacher and Charity Ball Advisor, thanked the Board of Commissioners for the resolution and their

continued support. He said that the students have raised \$745,000 plus dollars to date for Wake County communities. He said this group of students alone raised \$638,000 of those dollars. He spoke of the charities that have benefited from this event. He said that for the first-time students are doing an event that no one else has done in Wake County. He said this group of students are future leaders and he asked the board to encourage their friends to support this effort as well. Ben Hogwood, student Vice President of Service, introduced himself and offered to answer questions.

Chair Holmes asked how they determined the focus for this years' ball. Mr. Hogwood said they host an event for interested non-profits prior to the opening of online registration. He said 43 non-profits submitted applications this year, which they reviewed and narrowed down to six. He said they visited the sites of the six finalists and felt that the Autism Society was a good project for this year.

Vice-Chair Ford thanked the students for setting the example for others. He welcomed the other commissioners and the community to support this amazing cause. Mr. Hogwood said donation information is on social media for anyone interested in donating. Vice-Chair Ford thanked Dr. Chavis, Principal of Enloe High School, for his leadership.

Vice-Chair Ford read the resolution aloud.

Chair Holmes recognized Dr. Chavis for this recent award of Principal of the Year. She offered him an opportunity to provide comments.

Dr. Chavis said that this is a 14-year tradition at Enloe High and he is always encouraged by the students and their efforts. He said that he is very proud of the students, teachers, community and stakeholders. He said Enloe High is a Magnet school, but students come from all across Wake County. He said the all non-profits throughout Wake County are considered for this effort. Dr. Chavis thanked the Board of Commissioners for their support and for encouraging the students.

Chair Holmes thanked Ms. Shana Overdorf, Advisory Board Chair, Enloe Charity Ball, for her efforts and leadership for the students. Ms. Overdorf thanked the board for their support and said she is humbled by the work of the students at Enloe High. She said this is a social enterprise that could be modeled throughout the country. She said they have made a tremendous difference to many residents throughout the county and she is honored to serve beside them.

The students gave the commissioners t-shirts and thanked them for their support.

Vice-Chair Ford moved, seconded by Commissioner Calabria, that the Board of Commissioners approve the resolution recognizing the students of Enloe High School for their efforts to raise funds and awareness for the Autism Society of North Carolina's (ASNC) new IGNITE Raleigh program. The motion passed unanimously.

Public Comments

Chair Holmes opened the public comment period. No one came forward. She closed the public comments.

9. Presentation of the Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2018

Attachments: [BOC Agenda Item 12.03.18.docx](#)
 [BOC Presentation CAFR 11.28.18 - final.pdf](#)

Ms. Emily Lucas, Chief Financial Officer, presented an overview of the county annual comprehensive financial report for Fiscal Year ending June 30, 2018. She recognized Ms. Kim Lorbacher, Financial Services Manager, and her staff for their work on this years report.

Ms. Lucas shared the background for the presentation.

- NCGS 159-34 requires local governments to have external audit of financial statements annually
- County also required to have an audit for compliance with laws, regulations, contracts, and grants related to federal and state programs and internal controls over financial reporting
- Elliot Davis LLP completed the financial statement audit for the fiscal year ended June 30, 2018
- Today's presentation will share FY 2018 operating results, financial position, and audit opinion

She shared the total county operations for all funds. She shared the county budget for property taxes.

Property Tax:

- Collection rate of 99.89% on current year tax collections

Sales Tax:

- Slow down in Sales Tax growth

Other Taxes:

- Real property transfer taxes continue to increase with housing demands

She said the county realized 100% of budgeted revenues. She shared the highlights of those revenues.

Intergovernmental:

- Decrease in Human Services from prior FY (day care subsidy process)
- Additional \$4 million in ABC revenues

Other Revenues:

- Did not utilize appropriated fund balance, as budgeted

She shared a chart of the revenue breakdown.

Chair Holmes asked for clarity on the fund balance amount.

Mr. Tom McNeish, CPA, Elliott Davis, thanked the board for their time. He thanked the Finance and Revenue departments for all their work on the budget process. He said that the audit was completed with an unmodified opinion. He said that financial statements are in compliance with the General Accepted Accounting Principles, which is very important to bond rating agencies and stakeholders. Mr. McNeish talked about the key issues to keep in mind, which includes internal controls. He said while they do not audit internal controls, they assess them for areas of risk as it relates to reporting. He used bank reconciliations as an example. He said it is very important that bank reconciliations are completed timely and reviewed by the appropriate management staff.

Mr. McNeish shared an overview of the audit process. He said new audit requirements were implemented across the state, which required more detailed auditing of major programs. Mr. McNeish said there were no significant issues during the audit process.

Commissioner Hutchinson thanked Mr. McNeish for the report. He asked if there was anything material that needs to be exposed. Mr. McNeish said there was nothing that he is aware of.

Commissioner Calabria asked Ms. Lucas how the recommendations from the auditors will be implemented. Ms. Lucas said most of the recommendations have already been implemented. She said a new position has been created for a Disbursement Manager, which will assist with these efforts as well.

Commissioner West asked for clarity on internal and external standards. Mr. McNeish said that county has a complex system for internal control. He said the auditors evaluate the internal controls for weaknesses. If a weakness is identified, additional work must be done in those areas to find

a solution. Mr. McNeish said having strong and accurate internal controls allows them to focus their resources on more risky areas.

Vice Chair Ford asked if there were repeat findings that need to be addressed from last year. Ms. Kelly Cantwell, Audit Manager, Elliott Davis, said the state made a change to the reporting of direct benefits, which reduced the amount of auditing in the Health and Human Services programs. She said there were no other repeat findings from last year. Vice-Chair Ford thanked Mr. McNeish and his staff for their work.

Chair Holmes asked if the county is on track to keep the AAA bond rating. Ms. Lucas confirmed that the county does still have their AAA bond rating and she sees no reason for that to change.

Consent Agenda

Commissioner West moved, seconded by Commissioner Hutchinson, to approve the consent agenda. The motion passed unanimously.

10. Certification of Results on General Obligation Bond Referenda for Schools, Wake Tech, and Parks, Greenways, Recreation, and Open Space for November 2018 Ballot

Attachments: [Certification of Bond Results BOC Agenda Item.docx](#)
[20181203 Attachment 1 - Resolution Declaring Results - Fall 2018 Referenda.doc](#)
[20181203 Attachment 2 - Tax Impact Chart - Fall 2018 Referenda.pdf](#)
[20181303 Attachment 3 - List of Proposed Bond Projects.docx](#)

Commissioner West moved, second by Commissioner Hutchinson, that the Board of Commissioners adopt a resolution which declares the result of the bond referendum held in the county of Wake, North Carolina on November 6, 2018, upon the questions of approving \$548,000,000 School bonds, \$349,000,000 Community College bonds and \$120,000,000 Parks, Greenways, Recreation, and Open Space bonds and declaring the county's official intent to reimburse expenditures under United States Department of Treasury regulations. The motion passed unanimously.

11. Approval of a Bond for the Wake County Sheriff

Attachments: [Wake County Sheriff Bond Dec 2018 Agenda Item.docx](#)

Commissioner West moved, second by Commissioner Hutchinson, that the Board of Commissioners approve a bond in the amount of

\$20,000 for the Wake County Sheriff in the execution of his duties, acceptable to the County Attorney. The motion passed unanimously.

12. Award a Construction Contract for Knightdale Station Park Splash Pad and Appropriate Additional Funds from The Town of Knightdale

Attachments: [Item Summary](#)
 [Project Location Map](#)
 [Bid Tab](#)
 [Project Cost Summary](#)
 [Budget Memo - FY 2019 Housing and Community Revitalization](#)
 [Special Revenue Fund \(2200\).xlsx](#)

Commissioner West moved, second by Commissioner Hutchinson, that the Board of Commissioners:

1. Award a construction contract to Jackson Builders of Goldsboro, NC in the amount of \$553,132.41 for construction of the Knightdale Station Park Splash Pad in Knightdale, NC; and

2. Accept and appropriate additional funding (\$218,500) from the Town of Knightdale for construction of the Knightdale Station Park Splash Pad. The motion passed unanimously.

13. Authorize the Establishment of 4 FTEs in the Information Services Department

Attachments: [IS 12.3.2018 Board Item.docx](#)
 [Budget Memo - FY 2019 Information Services.xlsx](#)

Commissioner West moved, second by Commissioner Hutchinson, that the Board of Commissioners:

1. Authorize the establishment of 3.00 Full-Time Equivalent (FTE) positions in the Information Services department within the General Fund for the rewrite of the Revenue billing and collections system; and

2. Authorize the establishment of 1.00 FTE in the Information Services department within the General Fund to serve as a Chief Data Officer. The motion passed unanimously.

14. Document Production and Distribution Services for Tax Bills, Property Listing Forms, Utility Bills, and Various Accounts Receivable Related Notifications

Attachments: [Board Agenda Item 20181203.docx](#)
 [Vendor Cost Comparison RFP 18-109.pdf](#)

Commissioner West moved, second by Commissioner Hutchinson, that the Board of Commissioners approve the recommendation for the Wake County Revenue Department to award SouthData Inc. a three-year document production and distribution contract with the option of two additional one-year renewals and authorize the County Manager to execute such contract. The motion passed unanimously.

15. Tax Committee Recommendations for Value Adjustments, Penalty Waivers, Tax Relief Applications, Refund Requests and Various Reports

Attachments: [Tax Collections Item Summary.docx](#)
 [Tax Committee Agenda Process.docx](#)
 [Executive Summary 1](#)
 [Executive Summary 2.doc](#)
 [December 2018 Refunds Under 500](#)
 [December 2018 Refunds Over 500](#)
 [Daily Updates For Exemptions](#)
 [Daily Updates For Penalties](#)
 [Daily Updates For Tax Relief](#)
 [Daily Updates For Special Situations](#)
 [Daily Updates For Tax Deferments](#)
 [Municipal Collection Report](#)
 [Wake County Collection Report](#)
 [Monthly In-Rem Foreclosure Report](#)
 [PFB Summary Report](#)

Commissioner West moved, second by Commissioner Hutchinson, that the Board of Commissioners approve the attached recommendations by the Tax Committee. The motion passed unanimously.

Regular Agenda

16. Proposed 2019A GO Public Improvement Bonds (associated with the approved 2012 Wake Tech and 2013 School bond referenda) and 2019B GO Refunding Bonds

Attachments: [20181203 Item Summary - 2019AB GO Bonds.docx](#)
 [20181203 Board Presentation - 2019AB GO Bonds.pdf](#)
 [20181203 Attachment 1 - 2019A Issuance Resolution.doc](#)
 [20181203 Attachment 2 - 2019B Bond Order.doc](#)
 [20181203 Attachment 3 - Sworn Statement of Debt.pdf](#)
 [20181203 Attachment 4 - Statement of Total Estimated Interest.pdf](#)
 [20181203 Attachment 5 - 2019B Issuance Resolution.doc](#)
 [20181203 Attachment 6 - Projects Funded by 2016 and 2017](#)
 [Notes.pdf](#)
 [20181203 Attachment 7 - Escrow Agreement to Retire 2009B](#)
 [Bonds.DOC](#)

Mr. Todd Taylor, Financial Services Manager said in 2016 and 2017, the County authorized short-term draw programs for capital needs approved by voters in the 2012 Wake Tech and 2013 Schools referenda. The proposed Board actions will convert drawn balances of the 2016 Notes and 2017 Notes to permanent debt by issuing 2019A Bonds. Any funding authorized but not yet used under the 2016 Notes and 2017 Notes also will be funded from the proceeds of the 2019A Bonds. He said the proposed board actions also will refund certain maturities of the County's existing 2009B Bonds to a lower interest rate by issuing 2019B Bonds.

He shared the following information.

2016 Notes and 2017 Notes Previously Authorized

As planned in the County's Debt and Capital Financial Model, the County funds certain school and community college capital needs during their construction period by using short-term draw programs. This method provides short-term economic savings over the upfront issuance of GO bonds for part or all the voter-approved funding.

The County previously authorized draw programs for capital needs approved by voters in the 2012 Wake Tech and 2013 Schools referenda via the 2016 Notes and 2017 Notes.

Portions of 2016 Notes and 2017 Notes Were Previously Converted to GO Bonds

Also, as planned in the model, from time to time, the County will take out

the drawn balances of its short-term draw programs and convert to permanent GO bonds.

March 2017 - County issued \$82,415,000 Series 2017B GO Public Improvement Bonds to refund the drawn balance of 2016 Notes.

March 2018 - County issued \$197,745,000 Series 2018A GO Public Improvement Bonds to again refund the drawn balance of the 2016 Notes

Remaining Balance of 2016 and 2017 Notes to be Converted to Proposed 2019A Bonds

The proposed 2019A Bonds will generate proceeds sufficient to (a.) take out the drawn balances of both the 2016 Notes and 2017 Notes and convert to permanent bonds, and (b.) provide funding for any remaining unused note authorization, extinguishing both the 2016 Notes and 2017 Notes.

He shared information about Action 1 - 2019 A Bonds

- As anticipated in County's model, proposed 2019A Bonds will
- convert 2016 and 2017 Notes to permanent GO bond debt

2019A GO bonds will be issued under prior GO Bond Authorization

- 2012 Wake Tech Bond Authorization
- 2013 Schools Bond Authorization

He shared the Wake Tech and Schools Prior Bond Authorization.

- \$200 Million Wake Tech Bond authorized by voters in Nov 2012
- \$810 Million Schools Bond authorized by voters in Oct 2013
- Prior bonds issued under these referenda authorizations include:
 - 2013B GO Bonds - (upfront Go Issuance)
 - 2014 GO Bonds - (upfront Go Issuance)
 - 2015 GO Bonds - (upfront Go Issuance)
 - 2017 GO Bonds - (converted drawn portion of 2016 Note to Bonds)
 - 2018A GO Bonds - (converted drawn portion of 2016 Note to Bonds)
- Proposed 2019A Bonds will use last remaining bond authorization under these prior referenda

Mr. Taylor shared a flow chart of the current GO Bond authorization and spending method. He shared a chart of the examples of school projects over the last year. He shared examples of the school projects over the last year.

He shared photos of the schools and Wake Tech major projects.

Mr. Taylor shared information about Action 2 2019B Bonds.

- As part of ongoing effort to seek cost-savings, County monitors Bond Market for opportunities to refund existing bonds at a lower rate
- Proposed 2019B Bonds will be issued at lower rate to refund up to \$125 Million of outstanding 2009B Bonds
 - Coupons maturing in years 2020 through 2026 to be refunded
- Current projected gross savings estimated to exceed \$8 Million
 - Projected savings are subject to change with market fluctuation up to, and including, date of sale of bonds on January 15, 2019

He shared the fiscal impact of the 2018A and 2019B Bonds.

- Proposed 2019A Bonds have been anticipated in the County's Model as matter of due course
- Proposed 2019B Bonds will reduce debt service of remaining 2009B Bonds currently programmed in County's Model
- Associated closing costs and future debt service have been incorporated into the County's FY 2019 Adopted Budget

Mr. Taylor shared the relevant board goal.

- 2019A Bonds Complement 2018 Board of Commissioners Initiative E2.2

In partnership with WCPSS and Wake Tech, support a 2018 WCPSS bond referendum, and continue implementing financing strategies to address needs identified in the 7-year CIP

He shared the Take Aways.

- Action 1 - 2019A Bonds
 - Convert 2016 and 2017 Notes to permanent debt
 - Not to exceed \$169,240,000 bonds issued
 - Authorized under prior 2013 Schools and 2012 Wake Tech bond referenda
 - Utilizes final remaining authorization of prior bond referenda
- Action 2 - 2019B Bonds
 - Refund certain maturities of 2009B Bonds
 - Not to exceed \$125,000,000 bonds issued
 - Gross savings estimated at \$8 Million; amount subject to Market movement
 - Reduce debt service currently programmed in County's Model

He shared the requested board action.

Adopt the attached Issuance Resolutions and Bond Order which:

1. Authorizes the sale and issuance of Series 2019A General Obligation Public Improvement Bonds ("2019A Bonds") in an amount not to exceed \$169,240,000 to refinance the County's Series 2016A&B Bond Anticipation Notes ("2016 Notes") and 2017A&B Bond Anticipation Notes ("2017 Notes") previously issued for school and community college capital needs and to provide additional funds for such purpose;
2. Authorizes Series 2019B General Obligation Refunding Bonds ("2019B Bonds") in an amount not to exceed \$125,000,000 to refinance certain maturities of the County's Series 2009B General Obligation Bonds ("2009B Bonds");
3. Directs filing of Sworn Statement of Debt and Statement of Estimated Interest with the Board Clerk; and
4. Authorizes the sale and issuance of the Series 2019B General Obligation Refunding Bonds described in item 2 above.

Commissioner Hutchinson moved, seconded by Commissioner Evans, that the Board of Commissioners adopt attached bond order and resolutions which:

- 1. Authorize the sale and issuance of Series 2019A General Obligation Public Improvement Bonds ("2019A Bonds") in an amount**

not to exceed \$169,240,000 to refinance the County's Series 2016A&B Bond Anticipation Notes ("2016 Notes") and 2017A&B Bond Anticipation Notes ("2017 Notes") previously issued for school and community college capital needs and to provide additional funds for such purpose;

2. Authorize Series 2019B General Obligation Refunding Bonds ("2019B Bonds") in an amount not to exceed \$125,000,000 to refinance certain maturities of the County's Series 2009B General Obligation Bonds ("2009B Bonds");

3. Direct filing of Sworn Statement of Debt and Statement of Estimated Interest with the Board Clerk; and

4. Authorize the sale and issuance of the Series 2019B General Obligation Refunding Bonds described in item 2 above. The motion passed unanimously.

- 17.** Approval of a Multi-Year Operating Lease for the Wake County Board of Education at 111 Corning Road, Cary, NC (Second Reading)

Attachments: Item Summary Admin Lease Expansion 12-3-2018.docx
WCPSS Lease Agreement Presentation 12-03-18.pdf
Precis Lease of Office Space.docx
BOC Resolution re 111 Corning Road Office Space Operating Lease - 1-7-2019 draft.docx

Ms. Betty Parker, Senior Director, Real Estate Services, shared that the Board of Education entered into a lease of the Crossroads I and II buildings containing 173,741 SF on July 1, 2010, for consolidation and location of its Administrative Central Services. To address current staff overcrowding, to further consolidate remotely located administrative functions and to provide space for future growth, additional commercial office space is needed. On November 20, 2018, the Board of Education accepted the terms and conditions of a lease amendment to add a 75,864 square feet portion of an office building together with surface parking at 111 Corning Road, Cary, NC (Crossroads III Building) to the Board's existing lease and extend the lease term for existing space to be co-terminus with the new space, subject to approval of funding by the Board of Commissioners and the North Carolina Local Government Commission.

She shared a chart of the system growth projections for 2011, 2017, and 2026.

She shared a chart of the cumulative student growth verses cumulative school-based employee and central based employment growth.

She shared a chart of the Crossroads I and II staff growth verses the Crossroads I and II capacity.

She shared a chart of the current challenges of Crossroads I and II and Central Services.

She shared the considerations preceding the site selection.

- Purpose/Function
- Current SF utilization
- Projected System/Staff growth
- Projected SF Needed
- Compatibility with Available Board Space
- Collocation Efficiencies
- Adjacency Opportunities
- Operational Cost Impacts
- Funding Source Identification
- Optimal Location Area(s)
- Survey of space on the market for lease
- Current Lease Terms & Opportunities
- Lease Vs. Build

She shared the administrative office space consolidation scenarios analyzed over 15 and 30-year periods.

Option I. New Construction/Suburban (300,000 SF)

Option II. New Construction/Urban (300,000 SF)

Option III. Lease Consolidation (250,000 SF in 15 Year Analysis; increased to 300,000 SF after Year 15 in 30 Year Analysis)

Ms. Parker shared a chart of the cost comparisons and scenario options for 15 and 30 years.

She shared a map of the available office space survey for 75,000 square feet and 250,000 square feet.

She shared a photo rendering of the crossroads III site floor plan, proposed WCPSS Administrative office locations.

She shared the proposed lease information.

- **Purpose:** Consolidation/Expansion of Central Services Staff Operations Space
- **Landlord:** Raleigh Durham Office Partners, LLC, who acquired the site in 2018. The building was constructed in 2001.
- **Location:** Central Wake County in Crossroads Office Park adjacent to current Board/WCPSS Central Services Campus
- **Asset Description:** Expansion space of 75,864 SF in a 121,500 SF two story office building with surface parking.
- **Proposed Lease Term:** 15-year full service lease beginning 7/1/2019 with options to extend for up to two (2) eight-year terms.

She shared the proposed key lease terms.

- 75,864 SF in a 121,500 SF two story office building
- 15-year full service lease beginning 7/1/2019 with options to extend for up to two (2) eight-year terms.
- \$23.75/SF annual rental rate with a 2.25% annual rent escalation for expansion space.
- Extends current lease term of 173,741 SF in Crossroads I & II to be co-terminus with the new lease (eight-year extension), capturing future rents at current rates
- Right of First Offer for office space of 7,500 SF or greater when available in Crossroads III

She shared the proposed lease concessions.

Abatement ("Free Rent")	\$4,130,323
Tenant Improvement Allowance	\$3,871,427
Design Allowance	\$37,440
Data Center Restoration Allowance	\$100,000
FF&E onsite (est.)	<u>\$1,000,000</u>
Total Concessions Value:	\$9,139,190

She shared a chart of the proactive realignment addressing growth.

She shared a chart of the proposed milestones.

Commissioner Evans said that this project was a fantastic opportunity and thanked Ms. Parker for her diligent, hard work. Ms. Parker thanked the partnership of the Core Team's work.

Commissioner Calabria asked what additional operations cost would be

added to the budget and does this open additional opportunities for staff.

Ms. Parker said that staff is working with departmental leadership on the needs. She said there would be opportunity for some additions for space. She said that the strategy assists with planning for the next 5-10 years and she does not expect the need for staffing to be substantial for essential services.

Chair Holmes asked Ms. Parker to convey gratitude to whomever donated the furniture.

Chair Holmes said that the item is a first reading and no action is required.

18. Approval of 2019 Board of Commissioners' Meeting Schedule and Budget Calendar

Attachments: [Item Summary - 2019 Meeting Schedule and Budget Calendar.docx](#)
[2019-BOC-PROPOSED-MTG-SCHEDULE.docx](#)

Commissioner Hutchinson moved, seconded by Vice-Chair Ford, that the Board of Commissioners approve the 2019 meeting schedule and budget calendar. The motion passed unanimously.

19. Appointment of Board Member as Voting Delegate at 2019 NC Association of County Commissioners Legislative Goals Conference

Attachments: [Item Summary - Voting Delegate for NCACC Legislative Goals Conference.docx](#)
[Voting Delegate Form.pdf](#)

Chair Holmes said she supports Commissioner Calabria to serve as the voting delegate of NC Association of County Commissioners. Vice-Chair Ford agreed. Commissioner West said he supports Commissioner Calabria and asked for clarification on the work of the legislative committee and what still needs to be completed.

Mr. Chris Dillon, Assistant County Manager, said that Commissioner Calabria served on the Legislative Goals Steering Committee. He said there were steering committees established for each goal, which were then presented to the Legislative Goals Committee. Mr. Dillon said the goals that were approved by the steering committee will now move on to a vote by all 100 counties.

Commissioner Calabria thanked the Chair and the board for their support.

Commissioner Ford moved, seconded by Commissioner West, that

the Board of Commissioners appoint Commissioner Matt Calabria to serve as the Voting Delegate for Wake County at the 2019 North Carolina Association of County Commissioners Legislative Goals Conference. The motion passed unanimously.

Appointments

20. Adult Home Care Community Advisory Committee

Attachments: [Adult Care CAC Item Summary 9-10-18.doc](#)
 [Adult Care Member List.pdf](#)
 [Adult Care App Roster .xlsx](#)
 [Adult Care Applicants 11-15-18.pdf](#)
 [Adult Care Board Choices .xlsx](#)
 [Adult Care Revised Attendance 10-1-18.xlsx](#)

Commissioner Hutchinson nominated Ms. Patty Anderson for appointment.

21. Alcohol Beverage Control Board

Attachments: [ABC Item Summary 6-18.doc](#)
 [ABC Member List.pdf](#)
 [ABC Bd App Roster 11-21-18.xlsx](#)
 [ABC Bd Applicants 11-21-18.pdf](#)
 [ABC Bd Choices 11-21-18.xlsx](#)
 [Wake County ABC Board Attendance 2018.xlsx](#)

Commissioner Hutchinson nominated Mr. Jimmy Ronald Hicks for appointment.

22. Alliance Behavioral Healthcare

Attachments: [Alliance Item Summary 7-18.docx](#)
 [Adult Care Member List.pdf](#)
 [Alliance BHC App Roster 11-15-18.xlsx](#)
 [Alliance BHC Applicants 11-15-18.pdf](#)
 [Alliance BHC Bd Choices 11-15-18.xlsx](#)
 [Alliance Attendance.xlsx](#)

Commissioner Hutchinson nominated Ms. Lynn Nelson for appointment.

23. Juvenile Crime Prevention Council

Attachments: [Item Summary JCPC.docx](#)
 [JCPC Member List.pdf](#)
 [JCPC App Roster 11-15-18.csv](#)
 [JCPC Applicants 11-15-18.pdf](#)
 [JCPC Bd Choices 11-15-18.xlsx](#)
 [2018 JCPC Attendance.xlsx](#)

Commissioner Hutchinson nominated Mr. Paul Walker (School Superintendent Designee) and Ms. De'Nasia Daniels (Person Under 18) for appointment.

24. United Arts Grants Panel

Attachments: [United Arts Grants Panel Item Summary.doc](#)
 [United Arts Grants Panel App Roster.csv](#)
 [United Arts Grants Panel Applicants.pdf](#)
 [United Arts Grants Panel Bd Choices.csv](#)

Commissioner Hutchinson made the following nominations for the respective districts:

Ms. Rebecca Jackson - District 3
Mr. William Palmer - District 7
Ms. Lacey Senko - District 4

25. Wake County Water Partnership

Attachments: [Water Partnership Item Summary.doc](#)
 [Water Partnership Member List 11-14-18.pdf](#)
 [WP Applicant Roster.xlsx](#)
 [WP Applicants.pdf](#)
 [WP Board Choices .xlsx](#)
 [WP Attendance.xlsx](#)

Commissioner Hutchinson made the following recommendations for the respective seat and coinciding term:

Mr. Matt Echols	Apex	3 yr term
Mr. Jeff Adkins	Cary	3 yr term
Mr. Jay Myers	Fuquay-Varina	2 yr term
Mr. Jonathan Ham	Garner	4 yr term
Mr. Seann Byrd	Holly Springs	2 yr term
Mr. Joshua Baird	Morrisville	2 yr term
Mr. Kenneth Waldroup	City of Raleigh	4 yr term
Mr. Kelly Arnold	Town of Rolesville	4 yr term
Mr. Eric Keravuori	Town of Wake Forest	3 yr term

Mr. Marvin Collins	Town of Wendell	3 yr term
Mr. Joe Moore	Town of Zebulon	4 yr term
Mr. Joseph Threadcraft	Wake County	4 yr term
Mr. David Knight	At-Large	4 yr term
Ms. Heather Keefer	At-Large	4 yr term
Mr. Mitchell Woodward	At-Large	4 yr term
Mr. Garey Fox	Academic Expert	3 yr term
Mr. Thomas Dean	Agriculture	4 yr term
Ms. Suzanne Harris	Builders and Real Estate	2 yr term
Mr. Bill Holman	Environmental Advocacy	3 yr term
Mr. Michael Melton	Private Water Owners	4 yr term
Mr. George Matthis	Private Well Owners	2 yr term
Ms. Dale Threatt-Taylor	Soil and Water	4 yr term

26. Yates Mill Park Advisory Board

Attachments: [Yates Mill Item Summary.docx](#)
 [Yates Mill Member List.pdf](#)
 [Yates Mill App Roster.xlsx](#)
 [Yates Mill Applicant.pdf](#)
 [Yates Mill Board Choices .xlsx](#)

Commissioner Hutchinson nominated the following for reappointment:

Mr. Gene Brothers
Mr. Brian Lehrschall
Ms. Jan Weems

Commissioner West inquired about additional vacancies on the Water Partnership. Commissioner Hutchinson said there is one vacancy representing the Town of Knightdale and one At-Large. He confirmed with Yvonne Gilyard, Deputy Clerk, that both will be addressed at the January meeting.

Commissioner Hutchinson moved, seconded by Vice-Chair Ford, to approve the nominations for appointment. The motion passed unanimously.

27. Upcoming Vacancies for January

Attachments: [Upcoming Vacancies for January 2019.docx](#)

28. Informational Items for the Board of Commissioners

Attachments: [Informational Items Summary 12-03-18.docx](#)
 [September 2018 Financials.pdf](#)
 [WCPSS Quarterly Status Report - September 2018.pdf](#)

Mr. David Ellis, County Manager, indicated there were no informational items for the board to address.

Closed Session

Mr. Scott Warren, County Attorney, indicated there is no need for a closed session.

Adjourn

Vice-Chair Ford moved, seconded by Commissioner Calabria to adjourn the meeting. The motion passed unanimously.

Respectfully submitted,

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