

The Board of Commissioners for the County of Cabarrus met for an Agenda Work Session in the Multipurpose Room at the Cabarrus County Governmental Center in Concord, North Carolina at 4:00 p.m. on Monday, August 5, 2024.

Public access to the meeting could also be obtained through the following means:

live broadcast at 4:00 p.m. on Channel 22
<https://www.youtube.com/cabarruscounty>
<https://www.cabarruscounty.us/cabcotv>

Present - Chairman: Stephen M. Morris
Vice Chairman: Lynn W. Shue
Commissioners: Christopher A. Measmer
Kenneth M. Wortman
Timothy A. Furr

Also present were Mike Downs, County Manager; Richard M. Koch, County Attorney; Kelly Sifford, Assistant County Manager; Aalece Pugh, Assistant County Manager; and Lauren Linker, Clerk to the Board.

1. Call to Order

Chairman Morris called the meeting to order at 4:00 p.m.

2. Approval of Agenda

Updates:

Discussion Items - No Action
3.2 County Manager - Cabarrus Recovery Grants Update

Discussion Items for Action
4.7 Human Resources - Personnel Ordinance Changes

Additions:

Discussion Items for Action
4.1 Education - CCS / KCS Maintenance Agreement for Fiscal Year 2024-25

Closed Session

6.1 Closed Session - Pending Litigation

UPON MOTION of Vice Chairman Shue, seconded by Commissioner Wortman and unanimously carried, the Board approved the agenda as amended.

3. Discussion Items - No Action

3.1 Budget - Tax Receipt Demonstration

Rosh Khatri, Budget Director and Yesenia Pineda, Senior Management Analyst presented information and a demonstration regarding the Budget Engagement Plan. The budget department has been working to finale the "tax receipt" tool. This tool will allow the taxpayer to see how their property taxes are utilized in an unofficial receipt.

A discussion ensued. During discussion, Mr. Khatri and Ms. Pineda responded to questions from the Board.

3.2 County Manager - Cabarrus Recovery Grants Update

Elizabeth Landrum, Strategy Management Analyst, and Peticia Ritch, Senior Accountant, presented an update for the Cabarrus Recovery Grants program funded by the American Rescue Plan Act (ARPA) funds. The county has awarded fifty-one nonprofits with over \$29,000,000 to address local childcare, healthcare, mental health, housing, and food assistance needs. The organizations must submit receipts, finance reports, and program data to receive the awarded funding. Upon review, the county reimburses the nonprofits for eligible expenses monthly and reports outcomes to the federal government on a quarterly basis. The federal government requires the county to obligate all ARPA spending by December 31, 2024.

A discussion ensued. During discussion, Ms. Landrum and Ms. Ritch responded to questions from the Board.

4. Discussion Items - For Action

4.1 Education - CCS / KCS Maintenance Agreement for Fiscal Year 2024-25

Phil Penn, Chief Finance Officer, Cabarrus County Schools reported the annual maintenance agreement between Cabarrus County Schools and Kannapolis

City Schools expired in June. It has since been updated for the 2024-2025 school year. Approval of the updated Fiscal Year 24-25 maintenance agreement between Cabarrus County School District and Kannapolis City School District requests Board approval and execution.

A brief discussion. During discussion, Mr. Penn responded to questions from the Board.

4.2 Active Living and Parks - Healthy Aging NC Grant

Ian Sweeney, Active Living and Parks Project Event Manager, advised Healthy Aging NC was funded in part by a 5-year Centers for Disease Control and Prevention Grant (2023-2028). The purpose of the project has been to improve quality of life for individuals across North Carolina. Active Living and Parks received \$5,000, which will be utilized to provide free exercise programs for Cabarrus County participants. The programs will include Walk with Ease, Tai Chi for Arthritis, and Living Healthy with Chronic Pain. ALP staff requested approval to accept the grant funds along with the required budget amendment.

A brief discussion ensued. During discussion, Mr. Sweeney responded to questions from the Board.

4.3 BOC - Construction Standards - Approval of Funds for Demolition of Property

Matt Love, Construction Standards Director, provided information pertaining to the property at 4509 Manteo Drive. In early 2023, the county received multiple complaints from surrounding property owners regarding a burnt-out mobile home, some RVs, and make-shift forts that were not in compliance with building or zoning codes. In January 2024, the board approved a nuisance ordinance, which allowed property owners to be cited and allot them 60 days to remove the nuisances or bring them up to code. The owners of the property known as 4509 Manteo Drive did not bring the property into compliance. Therefore, County staff sent out bids for cleanup. The lowest bid received was \$10,800. Staff requests approval to accept the bid and move forward with cleanup. A budget amendment will be required.

A discussion ensued. During discussion, Evan Lee, General Council, and Mr. Love responded to questions from the Board.

4.4 County Manager - Fiscal Year 2024 Funding Re-appropriations

Rosh Khatri, Budget Director, requested unused funds from fiscal year 2024 be carried over into fiscal year 2025 for use. These funds were not used in FY24 for a variety of reasons. Carrying over these funds from FY24 to FY25, through an appropriation of fund balance would allow the funds to be used to complete purchases as planned. A budget amendment will be required.

A discussion ensued. During discussion, Mr. Khatri and Todd Shanley, Chief Information Officer, responded to questions from the Board.

4.5 County Manager - Messer GMP 3 for Behavior Health Center

Kelly Sifford, Assistant County Manager, advised staff will present the Messer Construction submittal for the guaranteed maximum price 3 (GMP3) to the Board at the August 19 regular meeting. Approval of the GMP3 will be required for the local government commission (LGC) application for financing and will be listed as contingent upon approval.

A discussion ensued. During discussion, Ms. Sifford and Mike Downs, County manager, responded to questions from the Board.

Michael Miller, Design and Construction Director, was present.

4.6 Finance - Reimbursement Resolution

Jim Howden, Finance Director, presented resolutions , which would allow the County to advance its own funds to pay for specific expenditures associated with the following capital projects and reimburse themselves with future debt:

- New Elementary School
- Replacement Elementary School
- RCCC Workforce Innovations Center
- RCCC South Campus Building Renovations
- Behavior Health Facility
- Public Training Facility - Amended

A discussion ensued. During discussion, Mr. Howden and Mike Downs, County Manager, responded to questions from the Board.

4.7 Human Resources - Personnel Ordinance Changes

Lundee Covington, Human Resources Director, presented research and recommendations for benefits updates discussed at the February budget retreat. Ms. Covington reviewed recommendations for three time-off accruals to include Vacation Tiers, Bereavement Leave and Parental Leave.

Ashley Dobbins, Human Resources Strategy Manager, presented a PowerPoint presentation regarding the total rewards benefits, which included the following:

- Total Rewards Overview
 - Jurisdictions utilized
 - Supportive leave benefits may reduce
 - Turnover
 - Absenteeism
 - Presenteeism
 - Benefits
 - Enhanced Vacation Leave
 - Bereavement Leave
 - Paid Parental Bonding Leave
 - Recap

Ms. Covington concluded the presentation in reviewing the Personnel Ordinance and policy language required to support these changes. Additionally, the new Ordinance language will cover the Pregnant Workers Fairness Act.

There was discussion throughout the presentation. During discussions, Ms. Covington, Ms. Dobbins, and Paula McNair, Human Resources Operations, responded to questions from the Board.

Johanna Ray, Health and Wellness Manager, was in attendance.

4.8 Library - Library Card Sign Up Month

Melanie Holles, Library Director, reported September is Library Card signup month. Currently, the Cabarrus County Library System charges a \$2 replacement fee for lost cards. The library system requested to waive the replacement card fees for the month of September. Ms. Holles added as a note June 2024 was one of the busiest months wherein the library gave out 70 cards, generating \$140 total in replacement card fees.

A brief discussion ensued. During discussion, Ms. Holles responded to questions from the Board.

4.9 Sheriff's Office - Acceptance of Governor's Highway Safety Program (GHSP) Grant Award

Chief Deputy Tessa Burchett reported this is the third year of the current Governor's Highway Safety Program (GHSP) grant funding used to expand the Traffic Enforcement and Education Unit. The grant amount of \$126,672 will be used for the continuation of this program. There is a county match of \$126,672 to meet the eligibility requirement of this grant. Chief Burchett requested Board consideration for acceptance of the grant.

4.10 BOC - Appointments to Boards and Committees

Chairman Morris stated information for August appointments to boards and committees has been provided to the commissioners. He asked if anyone had any questions, comments, or concerns regarding the upcoming requests. There were none.

5. Old Business

5.1 Finance - Approval of Resolution for Installment Financing Contract for 2024B Draw Program

Jim Howden, Finance Director, requested approval of a resolution and necessary corresponding document to allow staff on behalf of the County to apply for short and/or long term financing in the amount of \$270,000,000 for various projects (constructing and equipping public school and county facilities and various real and personal property improvements).

A discussion ensued. During discussion, Mr. Howden; Mike Downs, County Manager; and Evan Lee, General Counsel, responded to questions from the

Board. As part of the discussion, were financing options, i.e. dividing out the financing for groups of projects, and possible government bonds.

UPON MOTION of Commissioner Furr, seconded by Vice Chairman Shue, the Board approved to Suspend the Rules of Procedure by the following vote: Ayes: Chairman Morris, Vice Chairman Shue and Commissioners Furr and Wortman and Nays: Commissioner Measmer.

UPON MOTION of Vice Chairman Shue, seconded by Commissioner Wortman and unanimously carried, the Board approved the resolution for the installment financing contract for 2024B Draw Program.

Resolution No. 2024-29

RESOLUTION APPROVING SHORT-TERM AND/OR LONG-TERM INSTALLMENT CONTRACT FINANCINGS OF VARIOUS PUBLIC PROJECTS IN AN AGGREGATE PRINCIPAL AMOUNT UP TO \$270,000,000; AUTHORIZING INTERIM INSTALLMENT CONTRACT FINANCINGS FOR SUCH PROJECTS IN AN AGGREGATE PRINCIPAL AMOUNT UP TO \$270,000,000; AUTHORIZING THE EXECUTION AND DELIVERY BY THE CABARRUS COUNTY DEVELOPMENT CORPORATION OF ONE OR MORE SERIES OF LIMITED OBLIGATION BONDS AND/OR CERTIFICATES OF PARTICIPATION RELATED THERETO, AND PROVIDING FOR CERTAIN OTHER RELATED MATTERS

WHEREAS, the Board of Commissioners desires to undertake a proposed plan of financing in an aggregate principal amount of up to \$270,000,000, which plan would involve the entry by the County into one or more short-term and/or long-term installment financing contract(s) with the Cabarrus County Development Corporation (the "Corporation") or one or more other third parties pursuant to North Carolina General Statutes §160A-20, as amended, the proceeds of which would be used to pay all or a portion of the costs of (i) the acquisition, construction, installation and equipping of one or more new buildings to be used as new public safety training facilities for the County, (ii) various site improvements related thereto, (iii) the acquisition, construction, installation and equipping of a new public elementary school, (iv) the acquisition, construction, installation and equipping of a new replacement public elementary school, (v) the acquisition, construction, installation and equipping of a new behavioral health facility and related facilities, (vi) the acquisition, construction, renovation, installation and equipping of the human services facility and related facilities, (vii) the acquisition, construction, installation and equipping of a new public library and senior center, (viii) the acquisition, construction, installation and equipping of a new addition at Fred L. Wilson Elementary School, (ix) the acquisition, construction, relocation, installation and equipping of the Mary Frances Wall Public School, (x) the acquisition, construction, relocation, installation and equipping of the Opportunity Public School, (xi) the acquisition, construction, installation and equipping of HVAC replacements at Rowan-Cabarrus Community College South Campus, (xii) the acquisition, construction, installation and equipping of roof replacements at various public school sites, (xiii) the acquisition, construction, installation and equipping of HVAC replacements at various public school sites, (xiv) the acquisition of any necessary rights-of-way and easements related to each of the foregoing (i) through (xiii) and (xv) various real and personal property improvements related to each of the foregoing (i) through (xiv) (collectively, the "2024B Projects"), and under said one or more short-term and/or long-term installment financing contract(s) the County would secure the repayment by the County of the moneys advanced pursuant to such one or more short-term and/or long-term installment financing contract(s) by granting a security interest in and lien on all or some portion of the 2024B Projects and/or all or some portion of the real property upon which the 2024B Projects are located;

WHEREAS, as part of said proposed plan of financing, the Corporation may also execute and deliver one or more series of Limited Obligation Bonds and/or Certificates of Participation in said one or more short-term and/or long-term installment financing contract(s) in an aggregate principal amount not exceeding \$270,000,000 to finance the advancement of moneys to the County pursuant to said one or more short-term and/or long-term installment financing contract(s) between the County and the Corporation or one or more other third parties;

WHEREAS, as part of the proposed plan of financing for the 2024B Projects, the Board of Commissioners further desires to authorize interim financing, which may utilize either a fixed rate loan structure or a draw-down loan structure, for all or some portion of the 2024B Projects in an aggregate principal amount of up to \$270,000,000, which would involve the entry by the County into one or more short-term installment financing contract(s) with one or more third parties pursuant to North Carolina General Statutes §160A-20, as amended, the proceeds of which would be used to provide interim financing for all or some portion of the 2024B Projects pending execution and delivery of said one or more long-term financing contract(s) and the related Limited Obligation Bonds and/or

Certificates of Participation, if any, and under said one or more short-term installment financing contract(s) the County would secure the repayment by the County of the moneys advanced pursuant to such short-term installment financing contract(s) by granting a security interest in and lien on all or some portion of the 2024B Projects and/or all or some portion of the real property upon which the 2024B Projects are located; and

WHEREAS, as part of said proposed plan of financing, the Corporation may also execute and deliver one or more series of Limited Obligation Bonds and/or Certificates of Participation in said one or more short-term installment financing contract(s) in an aggregate principal amount not exceeding \$270,000,000 to finance the advancement of moneys to the County pursuant to said one or more short-term installment financing contract(s) between the County and the Corporation or one or more other third parties;

WHEREAS, there have been submitted to this meeting draft forms of the following documents (the "Financing Documents") with respect to the financing for the 2024B Projects:

(1) an Installment Financing Contract, proposed to be dated on or about August 1, 2024 (or such other date(s) as may be selected by the County), between the County and the Corporation (or one or more third parties) as counterparty (the "Contract(s)"), pursuant to which the Corporation (or such one or more third parties) will advance moneys to the County for the costs of the 2024B Projects and the County agrees to make periodic installment payments (the "Installment Payments") to repay the moneys so advanced, with or without interest, as applicable;

(2) a Deed of Trust, Security Agreement and Fixture Filing (the "Deed of Trust"), proposed to be dated on or about August 1, 2024, among the County as Grantor, the Corporation (or such one or more third parties) as Beneficiary and the trustee named therein, by which the County would secure its obligations to the Corporation (or such one or more third parties) under the Contract(s);

(3) an Indenture of Trust, proposed to be dated on or about August 1, 2024 (the "Trust Indenture"), between the Corporation and the trustee named therein, as trustee (the "Trustee"), pursuant to which there may be executed and delivered from time to time Certificates of Participation and/or Limited Obligation Bonds, including, without limitation, the Limited Obligation Bonds (County of Cabarrus, North Carolina Installment Financing Contract), Series 2024B (collectively, the "Certificates and/or Bonds"), the proceeds of which will be used to advance the moneys to the County under the Contract(s); and

(4) a Contract of Purchase to be dated on or about August 1, 2024 (the "Contract of Purchase"), pursuant to which the 2024B Limited Obligation Bonds would be purchased from time to time by the purchaser(s) of the 2024B Limited Obligation Bonds;

WHEREAS, the obligations of the County to make Installment Payments and other payments pursuant to the Contract(s) shall constitute limited obligations of the County payable solely from currently budgeted appropriations of the County and shall not constitute a pledge of the faith and credit of the County within the meaning of any constitutional debt limitation;

WHEREAS, no deficiency judgment may be rendered against the County in any action for breach of a contractual obligation under the Contract(s), and the taxing power of the County is not and may not be pledged in any way directly or indirectly or contingently to secure any moneys due under the Contract(s); and

WHEREAS, the Board of Commissioners desires to approve the Financing Documents and to authorize other actions in connection therewith;

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

Section 1. All actions taken by or on behalf of the County to date to effectuate the proposed financing, including the selection of Maynard Nexsen Pruet PC, as special counsel, are hereby ratified, approved and authorized pursuant to and in accordance with the transactions contemplated by the Financing Documents.

Section 2. The Board of Commissioners hereby finds and confirms that (i) the 2024B Projects and the financing thereof by one or more installment financing contracts is necessary and expedient for the County; (ii) financing of the 2024B Projects by one or more installment financing contracts, under the circumstances, is preferable to a bond issue by the County; (iii) the sums to fall due under said one or more installment financing contracts are adequate and not excessive for their proposed purpose; (iv) the County's debt management procedures and policies are good and its debt will continue to be managed in strict compliance with law; (v) the increase in taxes, if any, necessary to

meet the sums to fall due under said one or more installment financing contracts will not be excessive; and (vi) the County is not in default regarding any of its debt service obligations.

Section 3. The acquisition, construction and equipping of the 2024B Projects, the financing thereof and the granting of security interests therein, all as provided in the Financing Documents referenced in this Resolution, are hereby ratified and approved.

Section 4. Each of the Contract(s), the Contract of Purchase and the Deed of Trust is hereby approved in substantially the form submitted to this meeting, and each of the Chairman of the Board of Commissioners or the County Manager is hereby authorized to execute and deliver each of those documents in the name and on behalf of the County, with such changes, insertions or omissions as the persons executing such documents may approve, including but not limited to changes, insertions or omissions related to obtaining a policy of municipal bond insurance with respect to all or a portion of any Certificates and/or Bonds, their execution and delivery thereof to constitute conclusive evidence of such approval. The County Clerk is hereby authorized to affix the seal of the County to each of said documents as may be appropriate and to attest to the same.

Section 5. The Trust Indenture (including the form of Certificate and/or Bond) is hereby approved in substantially the form submitted to this meeting, with such changes, insertions or omissions as appropriate, including but not limited to changes, insertions or omissions related to obtaining a policy of municipal bond insurance with respect to all or a portion of any Certificates and/or Bonds, as the representative(s) of the County executing the Contract(s) may approve, the execution and delivery of the Contract(s) to constitute conclusive evidence of such approval. The Board of Commissioners hereby approves the sale of Certificates and/or Bonds by the Corporation in an aggregate principal amount not in excess of the amount of moneys to be advanced to the County pursuant to the Contract(s).

Section 6. Each of the Chairman of the Board of Commissioners, the County Manager and the Director of Finance are authorized to approve all details of the financing of the 2024B Projects, including, without limitation, the amount advanced under the Contract(s) and the aggregate principal amount of any Certificates and/or Bonds (which shall not exceed \$270,000,000), the maturities, the principal amounts and the interest amounts (if any) of the Installment Payments and any Certificates and/or Bonds, which interest amounts may be either fixed or variable rates and, if fixed rates, (calculated with respect to any Certificates and/or Bonds) shall not exceed 22.00% per annum on an effective interest cost basis, the prepayment terms and prices (which shall not exceed 103% of the principal amount being prepaid). Execution of the Contract(s) by the Chairman of the Board of Commissioners or the County Manager shall conclusively evidence such approval of all such details of said financing.

Section 7. The Chairman of the Board of Commissioners, the County Manager, the Director of Finance and the County Attorney are hereby authorized to take any and all such further action, including approval of modifications to the Financing Documents, and to execute and deliver for and on behalf of the County such other documents and certificates (including, without limitation, agreements with securities depositories, financing statements, one or more contracts of purchase or purchase agreements, one or more placement agreements, one or more private placement agreements or other offering documents or memoranda, tax certificates and agreements and other documents and agreements (including repurchase agreements) relating to the investment of the proceeds from the execution and delivery of the Contract(s)) as they may deem necessary or advisable to carry out the intent of this resolution and to effect the financing pursuant to the Contract(s) and the other Financing Documents. The County Clerk is hereby authorized to affix the seal of the County to such documents and certificates as may be appropriate and to attest to the same and to execute and deliver the same as may be needed.

Section 8. The Finance Director shall prepare and file a sworn statement of debt with the LGC and the Clerk to the Board in accordance with North Carolina General Statutes Section 159-150.

Section 9. The County covenants that, to the extent permitted by the Constitution and laws of the State of North Carolina, it will do and perform all acts and things to comply with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), in order to assure that interest paid with respect to the 2024B Limited Obligation Bonds will not be includable in the gross income of the owners thereof for purposes of federal income taxation, except to the extent that the County obtains an opinion of bond counsel to the effect that noncompliance would not result in interest with respect to the 2024B

Limited Obligation Bonds being includable in the gross income of the owners of the 2024B Limited Obligation Bonds for purposes of federal income taxation.

Section 10. This Resolution shall become effective immediately upon its adoption.

Adopted this 5th day of August, 2024.

/s/ Stephen M. Morris
 Stephen M. Morris, Chairman
 Cabarrus County Board of Commissioners

ATTEST:

/s/ Lauren Linker
 Lauren Linker, Clerk to the Board

6. Approval of Regular Meeting Agenda

6.1 BOC - Approval of Regular Meeting Agenda

Commissioner Measmer **MOVED** to move items F.7 and F.9 to New Business. Motion failed due to no second.

Vice Chairman Shue **MOVED** to approve the Regular Meeting Agenda as presented, seconded by Commissioner Furr.

Following discussion, the **MOTION** to approve the Regular Meeting Agenda as presented carried as follows: Ayes: Chairman Morris, Vice Chairman Shue, Commissioners Furr and Wortman; Nays: Commissioner Measmer.

Recognitions and Presentations

- Active Living and Parks - Senior Center Month
- DSS - Child Support Awareness Month Proclamation

Consent

- Appointments - Adult Care Home Community Advisory Committee
- Appointments - Mental Health Advisory Board
- (Appointment) and Removal - Human Services Advisory Board
- Active Living and Parks - Healthy Aging NC Grant
- Construction Standard Construction Standards - Approval of Funds for Demolition of Property at 4509 Manteo Drives - Approval of Funds for Demolition of Property at 4509 Manteo Drive
- County Manager - Fiscal Year 2024 Funding Re-appropriations
- County Manager - Messer GMP 3 for Behavior Health Center
- Education - CCS / KCS Maintenance Agreement for Fiscal Year 2024-25
- Finance - Reimbursement Resolution
- Human Resources - Personnel Ordinance Changes
- Library - Library Card Sign Up Month
- Sheriff's Office - Acceptance of Governor's Highway Safety Program (GHSP) Grant Award
- Sheriff's Office - Awarding of Service Weapon to Sgt. Michael Harris Upon Retirement
- Sheriff's Office - Awarding of Service Weapon to Deputy Brandon Ayscue Upon Retirement
- Tax Administration - Refund and Release Reports - July 2024

Reports

- BOC - Receive Updates from Commission Members who Serve as Liaisons to Municipalities or on Various Boards/Committees
- BOC - Request for Applications for County Boards/Committees
- Budget - Monthly Budget Amendment Report
- Budget - Monthly Financial Update
- Communications and Outreach - Monthly Summary Report
- County Manager - Monthly Building Activity Reports
- EDC - June 2024 Monthly Summary Report

Commissioner Wortman, on behalf of the Cabarrus Visitors Bureau, reported voting for the Jay M. Robinson Mondo Track and Field Facility is now open through August 19, 2024 on the sportstravelawards.com website.

Vice Chairman Shue spoke regarding Commissioner Measmer's concern to pull items from the consent agenda at the August 19 regular meeting.

A discussion ensued.

7. Closed Session

7.1 Closed Session - Pending Litigation

UPON MOTION of Vice Chairman Shue, seconded by Commissioner Furr and unanimously carried, the Board moved to go into closed session to discuss matters related to pending litigation as authorized by NCGS 143-318.11(a)(3).

Prior to the start of closed session, Chairman Morris thanked the audience for attending in person and virtually.

Return to Open Session

UPON MOTION of Commissioner Wortman, seconded by Commissioner Measmer and unanimously carried, the Board returned to open session.

6. Adjourn

UPON MOTION of Commissioner Measmer, seconded by Vice Chairman Shue, and unanimously carried, the meeting adjourned at 6:41 p.m.



Lauren Linker

Lauren Linker, Clerk to the Board