

MINUTES

PTRC Executive Committee

June 3, 2015

Members Present:

Councilwoman Marikay Abuzuaiter, City of Greensboro
Commissioner Kevin Austin, Yadkin County
Mayor Jimmy Blake, Town of Biscoe
Mayor Buddy Boggs, Town of Haw River
Councilman Dillard Burnette, City of King
Councilman Alvin Foster, Town of Yanceyville
Chairman Darrell Frye, Randolph County
Commissioner Ernest Lankford, Stokes County
Councilwoman Molly Leight, City of Winston-Salem
Commissioner Walter Marshall, Forsyth County
Commissioner Wayne Moore, Town of Jonesville
Chairman Jackie Morris, Montgomery County
Commissioner Don Truell, Davidson County

Members Absent

Councilman Latimer Alexander, City of High Point
Mayor Dwight Atkins, Town of Pilot Mountain
Mayor Joe Bennett, City of Thomasville
Commissioner Zane Cardwell, Rockingham County
Councilman Darryl Carter, City of Eden
Commissioner John Ferguson, Davie County
Commissioner Nathaniel Hall, Caswell County
Mayor Pro Tem Will Marklin, Town of Mocksville
Commissioner Linda Massey, Alamance County
Vice Chairman Larry Phillips, Surry County
Mayor Dan Pugh, Town of Lewisville
Mayor Bert Lance Stone, City of Archdale
Mayor Keith Volz, Town of Jamestown
Mayor Ronnie Wall, City of Burlington
Mayor Pro Tem Steve Yokeley, City of Mount Airy

Chairman Molly Leight welcomed the PTRC Executive Committee and called the meeting to order at 12:00 p.m. She requested a moment of silence and then led the Executive Committee in the Pledge of Allegiance.

1. Request for authorization to submit the State Fiscal Year 2016 Aging Funding Plan, Blair Barton-Percival, PTRC Area Agency on Aging Director

- a. Mr. Barton-Percival explained that each year, the PTRC AAA received federal and state funds to support county programming for adults 60+ and their caregivers. He explained the allocations for the Home and Community Care Block Grant, the Family Caregiver Support Program, and Legal Services.
- b. He added that the Home and Community Care Block Grant funds are administered by the PTRC AAA and are allocated to our 12 counties based on the North Carolina Intrastate Funding Formula (IFF). The formula, which is shown below, is weighted based on population with each county receiving a base of \$60,000. Partners for HCCBG funds are recommended by County Planning Committees and contracts are with PTRC AAA and each county.
- c. There being no questions, a motion was made by Mr. Dillard Burnette.
- d. The motion was seconded by Mr. Walter Marshall.
- e. Request for authorization to submit the State Fiscal Year 2016 Aging Funding Plan was approved.

2. Request for approval of third (final) Budget Revision for FY 2014-2015, Robin Shelton, PTRC Finance Director

- a. Ms. Shelton stated that the Finance Department is requesting approval of a revision to the 2014-2015 budget of the PTRC, which shows an increase from the original budget of \$3,175,514 and a decrease from the second budget revision of \$112,148. **The spreadsheets showing this change are located on pages 7-9.*
- b. There being no questions, a motion was made by Mr. Dillard Burnette.
- c. The motion was seconded by Mr. Dan Pugh.
- d. Request for approval of third (final) budget revision for FY 2014-2015 was approved.

3. FY 2015-2016 PTRC Budget, Robin Shelton, PTRC Finance Director

- a. **Please refer to the FY 2015-2016 Budget Packet, which can be found online at www.ptrc.org or by emailing Cassidy Pritchard at cpritchard@ptrc.org.*
- b. Mr. Dolge stated that he was pleased to present the fourth annual budget of the Piedmont Triad Regional Council for consideration. He noted that the budget packet consists of five distinct sections, which include the budget ordinance, the

budget program by area, the dues schedule for member governments, the fringe benefit plan, and the indirect cost allocation plan.

- c. He mentioned that the revenue projections for fiscal 2015 – 2016 are a combination of historical information, current known budgetary decisions by state and federal funding sources, and executed or immediately pending contracts. Robin Shelton and the finance staff have used all available information to project a revenue stream of \$34,365,706 for the Piedmont Triad Regional Council for its fourth year of operation.
 - i. Aging: He added that this figure includes a slight increase in funding from the North Carolina Division of Aging. This increase is due to the restoration of block grant funds the general assembly removed from last year's budget.
 - ii. Workforce: It also reflects a sizeable decrease in Workforce Investment Act funding based on projected reductions in federal dollars which pass through the state.
 - iii. Criminal Justice: He added that PTRC continues to experience growth in criminal justice programs as we expand our service areas to meet state needs.
 - iv. Planning: The planning staff continues to pursue fee based and grant based revenue. There has been tremendous improvement in revenue projections from direct planning contracts and new initiatives.
 - v. Weatherization: The PTRC continues to experience growth in our Weatherization revenues. The programmatic expansion to Alamance and Caswell Counties is included in the revenue projections since those counties are now a permanent part of the PTRC service area. Continuation of the Duke Energy weatherization initiative is also a positive factor in revenue growth.
- d. The majority of the total revenue in PTRC's four major programs, Aging, Workforce, Housing, and Weatherization, pass through to participants and service providers for the direct benefit of the citizens of the region.
- e. The dues rate remains constant at \$.21 per capita. The dues are used to match grant allocations from various programs and to cover the general operation and support to the board of delegates. It is a point of pride to the PTRC staff that over 65% of dues go right back into the community as direct services through match for our aging program. He told the Executive Committee that PTRC strives to be good stewards of their funds and commit to maximizing their return on investment each and every budget cycle.

- f. Lastly, he added that the finance staff has worked diligently to provide this document for their consideration. He acknowledged the long hours they have worked. **As noted above, please refer to the FY 2015-2016 Budget Packet, which can be found online at www.ptrc.org or by emailing Cassidy Pritchard at cpritchard@ptrc.org.*
- g. There being no questions, a motion was made by Mr. Alvin Foster.
- h. The motion was seconded by Mr. Dillard Burnette.
- i. Mr. Dolge added that there were a couple of administrative positions that he did not refill due to changes in structure. Overall, there has been growth in permanent positions, which is reflected in the size of the budget.
- j. Mr. Darrell Frye asked about the smaller Workforce budget. Mr. Dolge added that there had been some re-organization due to the changes, although he does not see this as a trend in the future.
- k. There being no other questions, a motion to recommend the budget to the full board was made by Mr. Dillard Burnette.
- l. The motion was seconded by Mr. Darrell Frye.
- m. Request to send PTRC FY 15-16 Budget to the full Board with recommendation from the Executive Committee was approved.

4. Additional Item: Request for approval of PTRC Retiree Health Insurance coverage, Matt Reece, PTRC Assistant Director

- a. Mr. Reece stated that when NWPCOG and PTCOG merged, administration wanted to address the accessibility of retirees to get health coverage. He mentioned that since retiree rates are now the same as staff rates, there are not any supplemental costs to retirees.
- b. He added that since this is not a guaranteed benefit, this must be approved each year.
- c. There being no questions, a motion was made by Mr. Alvin Foster.
- d. The motion was seconded by Mr. Dillard Burnette.
- e. Request for approval of PTRC Retiree Health Insurance coverage was approved.

5. Executive Director's Report, Matthew Dolge, PTRC Executive Director

- a. Information regarding changes resulting from the Weatherization Program's interpretation of the new "Super Circular" rules.
 - i. Mr. Dolge announced that the Weatherization Program has raised questions concerning PTRC's method of charging for the occupancy of the Kernersville Headquarters building. PTRC is charging occupancy charges based on the mortgage payments plus cost associated with the building

(utilities, lawn care, janitorial, etc.). The Weatherization program is refusing to pay based on these calculations, stating that PTRC can only claim the amount of depreciation on the building.

- ii. He added that at this time, our liability for the building is the principal of the loan divided by the life of the loan (15 years) – making PTRC’s liability \$246,000 per year ($\$3,690,000 / 15$) plus interest (which they are agreeing to pay). Using the formula they are insisting on, the only costs we can recoup is the depreciation: $\$3,690,000 / 40$ or \$92,250. This will give PTRC a shortfall of \$153,750 per year.
- iii. He then stated that PTRC’s research to date has given one option for adjusting these calculations. To adjust these charges, PTRC must obtain information from our contractor for the costs associated with components of the building. PTRC can segregate the building into the building shell, which would depreciate over 40 years, the building service systems (i.e., elevators, HVAC, plumbing systems, heating and cooling systems, parking lot, outdoor light fixtures, landscaping and irrigation) which would depreciate over 10 years and fixed equipment (i.e., cabling, flooring, etc.) which would depreciate over 5 years.
- iv. He added that PTRC has not obtained all of this information but are hopeful that these adjustments will increase the allowable depreciation helping PTRC absorb a portion of the \$153k difference for the first 11 years of the loan. There will be a significant impact in year 12 of the mortgage at which time PTRC will have shortfall of approximately \$64k; after year 12 the shortfall becomes approximately \$210k per year for the remaining term of the loan. This is assuming PTRC can validate that only about 30% of the costs are the “shell” of the building.
- v. Lastly, he mentioned that PTRC is still researching options and have reached out to others for assistance.
- vi. Mr. Darrell Frye asked Mr. Dolge what the precedence is for the Weatherization Department to do this. Mr. Dolge replied that the Super Circular rules formerly had a provision for the use of the building, and this is the way the Weatherization Program at the state level has interpreted it.
- vii. Mr. Nate Hall mentioned that with the position they have taken, PTRC will either have to go to court or congress. He added that the only option currently is to charge market-based rent, to which Mr. Dolge responded that PTRC cannot charge rent since the structure is owned.

- viii. Mr. Kevin Austin asked Mr. Dolge if it was a possibility to move PTRC's Weatherization program to another property. Mr. Dolge responded that if PTRC does this for Weatherization, the same standard will need to be used for everyone.

6. New Business: Request for approval of Weatherization Assistance Program Funds for FY 2015-2016, Reginald McCaskill, Weatherization Assistance Program Director

- a. Mr. McCaskill stated that the Piedmont Triad Regional Council Weatherization Assistance Program is asking for approval to accept funds in the amount of \$2,714,688. The program is administered through the Division of Energy, Mineral & Land Resources in the N.C. Department of Environment and Natural Resources. The contract requires the weatherization of homes in Alamance, Caswell, Davidson, Forsyth, Guilford, Randolph and Rockingham counties during the period of July 1, 2015 through June 30, 2016. During the course of this project, subcontracted work is required to provide energy efficiency measures including, but not limited to, air sealing, insulation installation, vapor barrier installation, and minor repairs in customers' homes per program standards.
- b. There being no questions, a motion was made by Mr. Kevin Austin.
- c. The motion was seconded by Mr. Darrell Frye.
- d. Request for approval of Weatherization Assistance Program Funds for FY 2015-2016 was approved.

Mr. Dolge asked the Executive Committee to attend the full Board meeting in two weeks. He added that quorum is needed to approve the budget.

Mr. Nate Hall added that Caswell County had a visit from Matthew Dolge, William Pass, Dylan Galloway, and Althea Hairston, where they gave an excellent presentation. Caswell County has asked PTRC to handle their Workforce funds starting July 1, 2015.

There being no other business, the meeting was adjourned at 1:00 p.m.

Molly Leight, PTRC Chairman

Cassidy Pritchard, Acting Clerk

PIEDMONT TRIAD REGIONAL COUNCIL
BUDGET ORDINANCE 2014 - 2015
3rd Revision 6/3/15

Be it ordained by the Piedmont Triad Regional Council (PTRC):

Section 1. The following amounts are hereby appropriated in the General Fund for the operation of PTRC and its activities for the fiscal year beginning July 1, 2014 and ending June 30, 2015 in accordance with the Chart of Accounts heretofore established for PTRC:

| | |
|---|------------------|
| General / Council | \$ 63,160 |
| TOTAL GENERAL FUND APPROPRIATION | \$ 63,160 |

Section 2. It is estimated that the following revenues will be available in the General Fund for the fiscal year beginning July 1, 2014 and ending June 30, 2015:

| | |
|--|------------------|
| Fund Balance | \$ - |
| COG Dues | 62,560 |
| Interest | 600 |
| TOTAL GENERAL FUND ESTIMATED REVENUES | \$ 63,160 |

Section 3. The following amounts are hereby appropriated in the Special Revenue Fund - Grant Project Fund for the operation of PTRC and its activities for the fiscal year beginning July 1, 2014 and ending June 30, 2015 in accordance with the Chart of Accounts heretofore established for PTRC:

| | |
|--|----------------------|
| Administration | \$ 254,460 |
| Crime Control and Public Safety | 1,134,046 |
| Environmental Protection | 418,375 |
| Health and Human Services (Aging) | 12,607,304 |
| Housing | 4,646,634 |
| Planning | 132,854 |
| Transportation | 241,631 |
| Workforce Development | 7,101,563 |
| Weatherization | 2,782,332 |
| TOTAL GRANT PROJECT APPROPRIATION | \$ 29,319,199 |

Section 4. It is estimated that the following revenues will be available in the Special Projects Fund - Grant Project Fund for the fiscal year beginning July 1, 2014 and ending June 30, 2015:

| | |
|---|-------------------|
| Federal Grants | 21,969,313 |
| State Grants | 6,708,778 |
| Appropriated Fund Balance | - |
| Dues | 519,839 |
| Interest | - |
| Local Projects & Fees | 121,269 |
| TOTAL GRANT PROJECT ESTIMATED REVENUES | 29,319,199 |

Section 5. The following amounts are hereby appropriated in the Special Revenue Fund- Local Projects Fund for the operation of PTRC and its activities for the fiscal year beginning July 1, 2014 and ending June 30, 2015 in accordance with the Chart of Accounts heretofore established for PTRC:

| | |
|---|------------------|
| Administrative Services | 486,256 |
| Crime Control and Public Safety | 583,646 |
| Environmental Protection | 110,100 |
| Health and Human Services (Aging) | 147,000 |
| Housing | 15,332 |
| Misc. Local Projects | 680,935 |
| Planning | 343,562 |
| Workforce Development | 167,812 |
| Weatherization | 1,633,817 |
| TOTAL LOCAL PROJECTS APPROPRIATION | 4,168,460 |

Section 6. It is estimated that the following revenues will be available in the Special Revenue Fund - Local Projects Fund for the fiscal year beginning July 1, 2014 and ending June 30, 2015:

| | |
|---|------------------|
| APPROPRIATED FUND BALANCE | - |
| COG DUES and INTEREST | 212,946 |
| LOCAL PROJECT FUND FEES | 3,955,514 |
| TOTAL LOCAL PROJECT ESTIMATED REVENUES | 4,168,460 |

TOTAL APPROPRIATIONS 33,550,819

Section 7: The Executive Director is hereby authorized to transfer appropriations as contained herein under the following conditions:

- a. He may transfer amounts between line item expenditures within a grant without limitation and without a report being required.

**PIEDMONT TRIAD REGIONAL COUNCIL
BUDGET BY AREA
7/1/14 to 6/30/15**

REVISED 6/03/15

| | Fund 001 | Fund 002 & 003 | Total | % of Total Budget |
|-----------------------------------|-------------|-------------------|------------|----------------------|
| Administration | 254,460 | | 254,460 | 0.8% |
| Administrative Services | | 486,256 | 486,256 | 1.4% |
| Crime Control and Public Safety | 1,134,046 | 583,646 | 1,717,692 | 5.1% |
| Environmental Protection | 418,375 | 110,100 | 528,475 | 1.6% |
| General Fund / Dues | | 63,160 | 63,160 | 0.2% |
| Health and Human Services (Aging) | 12,607,304 | 147,000 | 12,754,304 | 38.0% |
| Housing | 4,646,634 | 15,332 | 4,661,966 | 13.9% |
| Misc. Local Projects | | 680,935 | 680,935 | 2.0% |
| Planning | 132,854 | 343,562 | 476,416 | 1.4% |
| Transportation | 241,631 | | 241,631 | 0.7% |
| Workforce Development | 7,101,563 | 167,812 | 7,269,375 | 21.7% |
| Weatherization | 2,782,332 | 1,633,817 | 4,416,149 | 13.2% |
| Totals | 29,319,199 | 4,231,620 | 33,550,819 | |
| | 29,319,199 | 4,231,620 | 33,550,819 | |
| | - | - | | |