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*Ed Powell, County Attorney
Lisa Hughes, County Manager
Tanya Gentry, Clerk to the Board*

COUNTY MANAGER'S REPORT

January 6, 2023

Sales Tax

Sales tax collections for the month of November will come in within the next few weeks and they are estimated to be 12% above November 2022. Shopping online is becoming a way of life for people because it is so convenient and it encourages all of us to spend more. The amount is estimated to be \$848,380.65. We have collected almost 50% of the amount budgeted this fiscal year.

Holcombe House

Andrew Mackie has received the building permits to move the Harding Office and the Holcomb House. I am unaware of potential move dates.

Creech & Associates' structural engineer has stated that removing the two County-owned buildings should not affect the Dinkins building (Polka Dots). However, they recommend demolition rather than burning. We can go ahead and begin pricing for the demolition.

Memorial Park

We had an incident at Memorial Park this week with a citizen (who also happens to be a part-time County employee) who went around the gate to the walking trail PRIOR to the park opening. Normally, the Park opens at 8am, but on duck hunting days in January and February, it is closed until 12:30pm. Signs are posted at the gate. Staff made the citizen aware that he needed to leave as the Park was closed and explained why. I have also addressed the situation with the citizen/employee and advised him that going around the gate when the Park is closed is trespassing and that when the Park is closed it is for a reason. I have also discussed this situation with Jason Walker and we need to do a better job of informing the public when the Park is closed, especially on days that the Park is normally open.

Pioneer Building

We received possession of the Pioneer Building this week and I have met with Keith Vestal, Jason Walker, Caleb Poplin and Ricky Leonard about what we can and cannot store in the warehouse portion of the building. Jason starting moving equipment into the facility today. NGB Enterprises is storing some of their records in the section on shelves and we have

asked them to move one section so we have more clearance through the taller garage door access. Jason is going to be able to store the lawn mowers, snow plows and other equipment in the building. While his largest tractor will fit through the door and in the building, due to the fuel capacity of it and Keith's generator, they will not be able to be stored in the facility due to Fire Code and the building not being sprinkled. Keith will store the majority of their trailers and directional signs in there as well.

This building also has a large room in the office section that we will be able to move the payroll records from being stored in the office next to mine. We need this additional office space before the new HR Officer starts.

Human Resources

HR Specialist, Katie Andrews started this week and we conducted additional HR Officer interviews this week. Luke Wise of Kernersville has accepted the HR Officer position and starts January 23. He has over 20 years of HR experience in the private sector and has been working as a Finance Technician in Forsyth County for the last year. Luke is also SHRM certified. We are very excited about the strong HR Division we will have once these two are onboard and up to speed.

Classification and Pay Plan Study

I met with Matt Reece this week and reviewed a draft of the results from the Classification and Pay Plan Study. All classifications go up one grade and some as much as 4 grades. He is making revisions based upon some of the changes we have had in personnel and salaries since the original census was sent to him in September. We are also gathering employee information to assess their individual placement within the pay range for the position. We hope to have this ready to present to the Board in February.

Health Insurance and Pharmacy Benefits

Pharmacy claims make about a third of our insurance claims. Over the last several years Rusty Crissman (our Health Insurance consultant) and I have explored options to save on our insurance, especially the pharmacy claims. Josh Lewis, President of Innovative Employer Health Solutions (contractor for our Employee Wellness Clinic) had been introduced to Sona Pharmacy Benefits in Asheville. They are an independent pharmacy that also operates as a pharmacy benefit manager (PBM). The only way that we could use them as a PBM is to change from Blue Cross Blue Shield as our third party administrator (TPA). We are contacting another TPA to explore the disruption it would cause in services to employees. Cigna would be the insurer rather than BCBS.

GREAT Grant

I received an update on the GREAT Grant today. Zirrus (Yadtel) was awarded a GREAT Grant and Yadkin County had agreed to be a partner and contribute a 10% match. Everything was put on hold during an appeal process and while the State obtained clarification on a few issues from the Federal government being that these grants are

funded through ARPA funds. Below is the body of the email I received. I have the letter from President Biden referenced as the attachment in the email if you would like a copy.

Dear GREAT Grant Awardees and County Managers:

The N.C. Department of Information Technology's (NCDIT) Division of Broadband and Digital Equity appreciates your cooperation and patience as we work through questions regarding the contracting process for all GREAT grant projects. As you know, we have been carefully reviewing American Rescue Plan Act (ARPA) Guidelines and the federal rules associated with this funding.

Governor Cooper sent the attached letter to the Biden Administration in November regarding the application of federal Uniform Guidance (2 CFR 200) to internet service providers that receive ARPA funds for broadband infrastructure projects. We have had numerous conversations with the U.S. Department of the Treasury, the Department of Commerce's National Telecommunications and Information Administration, the Office of Management and Budget, and the White House recommending exemption from Uniform Guidance requirements for program income (2 CFR 200.307), property standards (2 CFR 200.311 to 316), and procurement standards (2 CFR 200.318 to 327). U.S. Treasury has communicated that they are actively working to resolve our concerns and issue clarifying guidance.

Our top priority is making sure that North Carolina's broadband infrastructure investments move forward as quickly as possible. While we await further guidance from Treasury, we want to notify you that we will be taking the following steps in the next two weeks:

- Designate all GREAT grant awardees receiving ARPA funds as subrecipients pursuant to the Uniform Guidance.
- Release a draft grant agreement for public review that includes standards and language applicable to subrecipients of ARPA funds set forth in the Uniform Guidance, the State and Local Fiscal Recovery Funds Final Rule from Treasury, and the laws of North Carolina.
- Release a template three-party grant agreement to all providers and counties that have entered into partnerships. This template may serve as the partnership agreement required by statute where adopted by a county partner and may eliminate the need for a separate agreement between GREAT grantees and counties.
- Release a draft memorandum of understanding between NCDIT and county partners clarifying roles and responsibilities with regard to grant monitoring, reporting, and federal compliance.

Thank you for your patience as we work through these complexities to move to contracted projects. If you have any questions about this update, please contact us at greatgrant@nc.gov.

Sincerely,

Nate Denny

Nathaniel S. Denny
Deputy Secretary
Division of Broadband and Digital Equity
N.C. Department of Information Technology