

AGENDA

Catawba County Board of Commissioners Meeting
Monday, June 2, 2014, 9:30 a.m.
Robert E. Hibbitts Meeting Room, 1924 Courthouse
30 North College Avenue, Newton, NC

1. Call to Order.
2. Pledge of Allegiance to the Flag.
3. Invocation.
4. Approval of the minutes from the Board's Regular Meeting of May 5, 2014.
5. Recognition of Special Guests.
6. Public Comment for Items Not on the Agenda.
7. Presentations:
 - a. Outstanding Achievement in Local Government Innovations Award from Alliance for Innovation. *Presented to the Child Wellbeing Team: Chrissy Triplett, Lisa Thompson, Susan Propst, Heather Ball, Dawn Wilson, Ligia Cushman, Adrienne Overby, Shauna Heavner, Elissa Harrell and Jim Wachsmuth.*
 - b. United Way 2-1-1. *Presented by Social Services Director John Eller and Cheryl Abee, Catawba County United Way, Director Volunteer Center/Information & Referral.*
8. Appointments.
9. Consent Agenda:
 - a. Donation of Surplus Vehicle to Catawba Fire Department.
 - b. Edward Byrne Memorial Justice Assistance Grant (JAG) Formula Program Grant.
 - c. Approval of Hiring a Relative of the Sheriff.
10. Adoption of the Catawba County Annual Budget for Fiscal Year 2014-15.
11. Departmental Reports:
 - a. Planning and Parks.
Carolina Thread Trail Implementation Grant – Appropriation of Grant Funds. Presented by Planning and Parks Director Jacky Eubanks.
 - b. Social Services:
Suggested Outcome Revisions. Presented by Social Services Director John Eller.
 - c. Finance:
County Debt Management Policy. Presented by Finance Director Rodney Miller.
12. Other Items of Business.

13. Attorneys' Report.
14. Manager's Report.
15. Adjournment.

PERSONS WITH DISABILITIES: Individuals needing assistance should contact the County Clerk at 828-465-8990 within a reasonable time prior to the meeting. Access to the 1924 Courthouse for individuals with disabilities is at the south side ("A" Street). The elevator is located at the north end of the building. Participation in public meetings is without regard to race, creed, religion, national origin, sex, age, color, or disability.

INFOTALK/INTERNET: The Catawba County Telephone Information System will allow you to use your touch tone telephone to obtain current information on Catawba County 24 hours a day. Information is updated on a regular basis. Dial 465-8468 and INFOTALK will direct your questions with easy to understand instructions. Reach Catawba County on the Internet at <http://www.catawbacountync.gov>.

CALENDAR: The next Board of Commissioners Meeting will take place on Monday, June 16, 2014 at 7:00 p.m. in the 1924 Courthouse in Newton.



**PREVIEW OF COUNTY COMMISSION AGENDA
MONDAY, JUNE 2, 2014, 9:30 A.M.
ROBERT E. HIBBITTS MEETING ROOM
1924 COURTHOUSE, NEWTON, N.C.**



The Catawba County Board of Commissioners will adopt a Fiscal Year 2014-2015 County Budget, which would leave the property tax rate unchanged at 53 cents per \$100 of property valuation while increasing investments in education, economic development and public safety, when the Board meets at 9:30 a.m. on Monday, June 2, 2014, at the 1924 Courthouse at 30 North College Avenue in Newton.

The Board will consider accepting a Carolina Thread Trail Implementation Grant for \$87,000, which would be used to complete a portion of the Thread Trail near the Government Center and the Heritage Trail greenway in Newton. It will consider a set of outcome revisions in the current Social Services budget to reflect changes in State and/or Federal policy, or local decisions made since those outcome goals were originally set. And the Board will consider adopting a new Debt Management Policy, which would be incorporated into the FY 2014-15 budget, to establish a framework for debt management as a part of the County's efforts to improve its bond rating.

The Board will also consider declaring a County vehicle as surplus and donating it to the Catawba Fire Department. It will consider accepting an Edward Byrne Memorial Justice Assistance Grant, which would be used to purchase mobile equipment used to provide families with a child ID card if the family requests a card and an upgrade to a system that extracts forensic data from mobile devices. And the Board will consider approving a request from Sheriff Coy Reid that his son, Sean Reid, be hired as a Deputy Sheriff.

The Board will recognize an Outstanding Achievement in Local Government Innovation Award, presented by the Alliance for Innovation, to Social Services' Child Wellbeing Project, which works with families when children leave foster care under age 16 for their reunified, guardianship or adoptive families. And the Board will see a presentation on United Way's 2-1-1 phone service, which provides free, confidential, 24/7 information and referral about local agencies and services.

PRESENTATIONS

A. The Board will recognize an Outstanding Achievement in Local Government Innovation Award, presented by the Alliance for Innovation to Social Services' Child Wellbeing Project, which works with families when children leave foster care under age 16 for their reunified, guardianship or adoptive families. These families are offered the opportunity to receive up to two years of extended services. They have a success coach, who works with them to enhance parenting, communication and other life skills.

B. The Board will receive a presentation on United Way's 2-1-1 phone service, which provides free, confidential, 24/7 information and referral about local agencies and services.

CONSENT AGENDA

A. The Board will consider adopting a resolution approving the donation of a 2006 Ford Crown Victoria to the Catawba Fire Department, as requested by the department. This vehicle will be used primarily to run medical first response calls and may at times be utilized to transport Fire Department members to department meetings and training classes. It will replace a vehicle the department is now using and will not be an expansion to its fleet. The vehicle has been driven for 126,682 miles.

North Carolina General Statute 160A-279 authorizes the County to convey personal property to a non-profit organization without monetary consideration as long as the property will be used for a public purpose. The process begins with the governing board adopting a resolution authorizing the conveyance of the property and a ten-day public notice. The Board's Finance and Personnel Subcommittee recommends the donation of this vehicle.

B. The Board will consider approval of a grant application for a 2014 Justice Assistance Grant or JAG. This Federal funding allocation is based on population and violent crime statistics. The County is eligible for a \$15,702 grant, with no local match required. The Sheriff's Office is requesting these funds be used to purchase the following equipment to improve law enforcement:

EZ Child ID Mobile System – to provide a public service to families that provides contact information, fingerprints,

photo, and video interview of children, teens and senior citizens. The family receives a child ID report with a printed ID card and a CD-ROM of photos and video. Files are deleted after each session. All data is kept by the family to use to aid law enforcement in recovery if the person is missing or abducted. It captures all data required by the Amber Alert system.

Forensic extractor upgrade – to continue obtaining forensic data from mobile devices, a 2012 system will have to be upgraded by 2015. This is used on many cases, with the bulk being drug cases and crimes against children (especially child pornography). It can recover “deleted” text and photos from older cell phones and newer smart phones, tablets, and computers to be used in trials for conviction. The Board’s Finance and Personnel Subcommittee recommends approval of this grant application.

C. The Board will consider approval of the appointment of Sean Reid to the position of Deputy Sheriff. Per North Carolina General Statute 153A-103, the Board must approve the appointment of an officer who is a relative of the Sheriff. Sheriff Coy Reid is requesting approval of the appointment of his son, Sean Reid, to an entry level Deputy Sheriff position on the day shift of Road Patrol. Sean Reid was a patrol officer with the Hickory Police Department for over six years. He also worked as a School Resource Officer and obtained the rank of Senior Patrol Officer. He is married with four children and he also has a four year degree. Sean Reid had to put his career on hold for several years to be a stay-at-home dad while his wife continued her career, and is now ready to resume his career. His law enforcement certification is being held by the Alexander County Sheriff’s Office, making him ready to move into a full time position. The Board’s Finance and Personnel Subcommittee recommends approval of this appointment.

BUDGET

The Board will adopt a Fiscal Year 2014-2015 County Budget, which would leave the property tax rate unchanged at 53 cents per \$100 of property valuation while increasing investments in education, economic development and public safety.

DEPARTMENTAL REPORTS

A. PLANNING AND PARKS

The Board will consider accepting and appropriating grant funds from a Carolina Thread Trail Implementation Grant, to construct a hard surface trail, footbridge and other improvements adjacent to Radio Station Road across the Catawba County Government Center Campus. The Carolina Thread Trail Governing Board approved a grant of \$87,000 to Catawba County to fund the design, permitting and construction of approximately 670 feet of new sidewalk, as well as the design, permitting and construction of a 25 foot bridge along a natural surface trail segment on the campus. This half mile trail segment adjoining the Heritage Trail in Newton will complete a 6.3 mile continuous trail connecting the cities of Newton and Conover. The grant does not require a monetary match by the County. Planning staff is working with a group of volunteers on a series of workdays to construct the new trail as part of its in-kind contribution to the grant. The public, LEED-certified parking lot being constructed at the new Animal Shelter is also a part of the County’s in-kind contribution. The Board’s Finance and Personnel Subcommittee recommends the acceptance and appropriation of these grant funds.

B. SOCIAL SERVICES

The Board will consider the recommended modification of two existing Social Services outcomes for Fiscal Year 2013-14. Social Services begins its outcome process each fall, well before its budget is finalized. Often times, outcome adjustments have to be made and are taken before the Social Services Board for approval to forward to the Board of Commissioners. The reasons for these revisions include having outcomes that are unrealistic due to lack of available data at the time they were set; as well as changes in State/Federal policy, or local decisions that are made regarding programs.

Day Treatment is a mental health reimbursable service that is primarily provided in an alternative school setting. As of January 1, 2014, Social Services operated three mental health day treatment sites through Family NET. In March, Family NET’s Hickory Career Arts & Magnet School (HCAM) day treatment program was closed due to changes at the State and local level regarding mental health services and reimbursement. Effective July 1st, Newton Conover and Catawba County school systems are modifying their approach to alternative educational settings and are creating separate programs.

As a result, the Adolescents and Children in Treatment (ACT) program, which serves elementary school children from all three systems, and Catawba County School's Rosenwald program for adolescents will also be making changes. Social Services has discussed needs with the superintendents regarding how the program can look based on the proposed changes. Social Services staff met with day treatment staff at each site in April and discussed the changes the school systems have proposed for the next school year.

Based on these changes, day treatment services are no longer the most appropriate and viable service. To meet the needs of the current students being served and the needs of the overall student population, Family NET will partner with the three school systems to cost-share mental health therapeutic services (individual, group, and family) at specified sites by a licensed clinician. Given that three day treatment sites will close on or before July 1, the day treatment outcome is impacted. Reduction in referrals has occurred in preparation for these changes, which will basically negate progress toward the outcome in the last quarter.

Social Services has another outcome that pertains to the ability to track data related to the processing of Food Assistance applications. Due to the implementation of NC FAST and the challenges associated with this system over the last year, Social Services is requesting to modify this outcome as well. Getting data out of NCFAST has proven to be difficult at the State level. When this outcome was developed it was hoped, and Social Services had been told, that needed data would be readily available. However, this has not proven to be the case. Therefore, the requested change in the outcome mirrors the information that can be pulled from the system with a degree of accuracy.

These proposed changes have minimal impact and are reflected in bold and underlined text below:

Current Day Treatment Outcome:

To increase appropriate social, emotional, and behavioral functioning in a school setting and to enhance student potential for academic success, 85% of children attending day treatment (33 of 38) will show a significant decrease **(at least 2 points)** in their Child and Adolescent Level of Care Utilization System (CALOCUS) score, used to determine intensity of services, resources required, and duration by assessing multiple dimensions (risk of harm, functional status, co-morbidity, recovery environment, resiliency and treatment history, acceptance and engagement) by FY 2013-14.

Proposed Revised Day Treatment Outcome:

To increase appropriate social, emotional, and behavioral functioning in a school setting and to enhance student potential for academic success, 85% of children attending day treatment (33 of 38) will show a significant decrease **(at least 1 point)** in their Child and Adolescent Level of Care Utilization System (CALOCUS) score, used to determine intensity of services, resources required, and duration by assessing multiple dimensions (risk of harm, functional status, co-morbidity, recovery environment, resiliency and treatment history, acceptance and engagement) by FY 2013-14.

Current Food Assistance Outcome:

To assure that the needs of citizens are met promptly and the implementation of NCFAST will continue to positively support the mission of the program, 99% of all approved food assistance applicants will be processed **within an average of 8 days or less during FY 2013-14,** as compared to the Federal goal of 97% within 30 days.

Proposed Revised Food Assistance Outcome:

To assure that the needs of citizens are met promptly and the implementation of NCFAST will continue to positively support the mission of the program, 99% of all approved food assistance applicants will be processed **within 8 days by June FY 2013-14,** as compared to the Federal goal of 97% within 30 days.

The Board's Policy and Public Works Subcommittee recommends the proposed changes to these outcomes.

C. The Board will consider adopting a new Debt Management Policy, which would be incorporated into the FY 2014-15 budget, to establish a framework for debt management as a part of the County's efforts to improve its bond rating. The County has issued debt for construction projects over the last several years through financing described under North Carolina General Statute 160A-20. This type of financing pledges the asset acquired or constructed as collateral for a loan in case of default. One of those financing methods is through a direct bank loan that includes a fixed rate and term, which has usually been fifteen years for the County. More recently, this type of financing has not been available as banks have shortened the term of loans they are willing to offer.

Another option is to issue fixed-rate bonds, similar to the Certificates of Participation (COPs) the County issued in 2004 and 2005. This financing also uses collateral to secure the loan, but also relies on the credit worthiness of the County through a rating assigned by two of the three national rating agencies. This financing affords the issuer a longer term and access to financial markets across the country, rather than one or more banks in the issuer's region. A

credit rating is assigned based on issuing General Obligation Bonds, which pledge the full faith and credit of the issuer/local government. For COPs or Limited Obligation Bonds, the County is not pledging its tax revenues. It is pledging collateral and the ability to repay debt based on its credit rating.

Catawba County has had an Aa1 rating with Moody's (**second highest on Moody's scale**) since 2010, when the County last received an upgrade **of a rating** that had been in place for 28 years. This was not a reflection of growth/change by the County. Moody's had recalibrated its rating classification to distinguish local governments from the private sector, which caused the County's rating to increase, leaving it only one step below a top Aaa rating.

The County has had an AA rating from S&P since 2004, when it was upgraded with the issuance of COPs that year. When the County issued \$20 million in bonds to finance the Justice Center expansion earlier this year, staff was hopeful that S&P would give the County an upgrade, which would be equal to Moody's rating, one step below AAA.

County Manager J. Thomas Lundy, Economic Development Corporation President Scott Millar, the County's Underwriter Ryan Maher, and Finance Director Rodney Miller met with both rating agencies in New York to give an overview of the County, describe the project, discuss the County's tax base profiles and economic drivers, and review the County's financial management, outstanding debt and future plans.

Neither rating agency granted an upgrade to the County's credit rating. In Moody's report, the County strengths were: 1) stable financial position and 2) manageable debt burden compared to its weaknesses, which were 1) moderately high unemployment compared to state and national averages and 2) high taxpayer concentration. The County's strengths have been in place for many years and are a testament to prudent financial management by the Board and staff. For unemployment, as well as other economic metrics (income levels, economic makeup and educational attainment), the County continues to be seen in a negative light despite recent improvement in unemployment rates, positive trends in educational achievements and continued diversification in our local economy.

County staff believed the County has improved in all areas of concern with S&P since 2004 and the last upgrade. S&P's report reflected that fact but this did not result in a higher rating. S&P informed County staff that it has a new methodology for 2014 that assigns weights to various economic, financial and management indicators. In all categories except *Economy*, the County had a 'strong' or 'very strong' rating. In the *Economy* indicator, the County's income levels compared to the national average (85%), elevated unemployment rating compared to state and national averages, and high concentration of manufacturing employment did not reflect a sufficiently broad and diverse economy and, therefore, too much uncertainty to justify an increase.

The rating agency analysts informed County staff that the County was at the high end of the AA rating scale. Two areas of improvement were mentioned that would have generated an upgrade in the rating methodology; the County's *Unemployment* rate needed to be consistently less than 10% for the year and, under their *Management* criteria, the County *Debt Policy* needed to be significantly expanded to incorporate all facets of Debt Management.

Catawba County's annual unemployment rate for 2013 was 9%, within 1% of the State average of 8% and significantly under the 10% threshold mentioned by the rating agencies.

Staff recommends the Board adopt a new Debt Management Policy to be incorporated into the annual budget document. Staff believes this policy, along with the County's improved unemployment rate, will afford the County an opportunity to receive a bond rating upgrade if it decides to go to back to the bond market later this year regarding a planned Vocational Building/High School at CVCC.

CONTACT: DAVE HARDIN, PUBLIC INFORMATION OFFICER 465-8464

CONTACT: Margaret Allen, Catawba County Social Services Public Information Officer, mallen@catawbacountync.gov, 828-695-6583

CATAWBA COUNTY SOCIAL SERVICES CHILD WELLBEING PROJECT WINS INTERNATIONAL AWARD FOR INNOVATION

The Child Wellbeing Project of Catawba County Social Services has received the prestigious Outstanding Achievement in Local Government Innovations Award from the Alliance for Innovation. The local program was developed in collaboration with The Duke Endowment, which hopes it will serve as a model for others.

The Alliance for Innovation, an international network of governments and partners, presents these awards as a way to honor and promote innovations in the field of local government. Catawba County's project was one of 10 local government programs that received the award Wednesday, April 23.

The Child Wellbeing Project works with families when children leave foster care under age 16 for their reunified, guardianship or adoptive families. These families are offered the opportunity to receive up to two years of extended services. They have a success coach, who works with them to enhance parenting, communication and other life skills.

The project also includes an educational advocate, who serves as a liaison between families, public schools and child welfare social workers to improve the child's chances for academic success. She tracks educational progress, makes sure children have the tools they need, and arranges tutoring to help children who are struggling academically.

The project also offers reading club activities and hosts other events to encourage family bonding and networking among parents. The goal of the Child Wellbeing Project is to strengthen families and improve the wellbeing of children who have been in foster care as they transition to adulthood.

"I am proud of all our staff across the child welfare continuum," said John Eller, director of Catawba County Social Services. "This award for the Child Wellbeing Project recognizes the outstanding effort of our employees on behalf of the children and families of Catawba County."

This award is one of many accolades received by the Child Wellbeing Project, which has been in operation since 2010 and is led by Dawn Wilson, special projects coordinator.

To see a video about Child Wellbeing Project, go to <http://youtu.be/cN5hOR5-3Sw>



Members of the Child Wellbeing Team are (left to right): Chrissy Triplett, post care supervisor; Lisa Thompson, success coach; Susan Propst, administrative assistant; Heather Ball, evaluation coordinator; Dawn Wilson, special projects coordinator and team leader; Ligia Cushman, success coach; Adrienne Overby, educational advocate; Shauna Heavner, success coach; Elissa Harrell, intern; and Jim Wachsmuth, outpatient therapist II.

MEMORANDUM

TO: Catawba County Board of Commissioners

FROM: John Eller, Catawba County Social Services Director
Cheryl Abee, Catawba County United Way, Director Volunteer Center/Information & Referral

DATE: June 2, 2014

RE: Overview of United Way 2-1-1

REQUEST: To provide a high level update of United Way 2-1-1

BACKGROUND:

2-1-1 is an easy-to-remember number sponsored by United Way NC through local United Way chapters like Catawba County United Way. This service helps people cut through what can be a confusing and overwhelming maze of information and resources. 2-1-1 allows a citizen to easily assess their needs and links them directly to the resources that will help. Whether a person is seeking information on essential services, in need of real-time updates on resources in the event of a disaster or looking for volunteer opportunities, 2-1-1 is there to help.

Dialing 2-1-1 provides free, confidential, 24/7 information and referral. A live operator is able to pull information about local agencies and services from a data base that contains the most up-to-date details about the where to go for help. A companion website containing the same information can be found at www.nc211.org. The website provides a list of the non-profit agencies in the community including the services they offer, contact information, a wish list for materials as well as volunteer opportunities that are available.

For example, a citizen may be behind on his/her rent or mortgage, and on the verge of foreclosure. A single mother may be in need of affordable child care. A caregiver of an aging parent may be struggling because he/she can no longer be left alone during the day. When citizens are overwhelmed, and need simple answers, they can simply dial 2-1-1.

Catawba County United Way wants to ensure the community knows this service is available, and would love to have the Catawba County Board of Commissioners join in raising awareness of NC 2-1-1.

RECOMMENDATION:

No action is required as this presentation is for the Board's information only.

APPOINTMENTS

KITTY BARNES (Due) Economic Development Corporation

Chair Barnes recommends the appointment of Steve Von Drehle to an unexpired term to fill a vacancy due to Jay Readon's resignation from the Economic Development Corporation Board of Directors. This term will expire June 30, 2015.

KITTY BARNES – Designation of Voting Delegate and Alternate for NACo Annual Conference

Chair Barnes recommends herself a Voting Delegate and Commissioner Barbara Beatty as Alternate for the NACo Annual Conference on July 11-14 in Orleans Parish, LA.

MEMORANDUM

TO: Catawba County Board of Commissioners

FROM: Finance and Personnel Subcommittee

DATE: June 2, 2014

SUBJECT: Donation of Surplus Vehicle to Catawba Fire Department

REQUESTED

The Finance and Personnel Subcommittee recommends the Board of Commissioner approve the donation of a 2006 Ford Crown Victoria to Catawba Fire Department.

BACKGROUND

Catawba Fire Department requests a surplus 2006 Ford Crown Victoria. This vehicle will be used primarily to run medical first response calls and may at times be utilized to transport Fire Department members to department meetings and training classes. This vehicle will replace a current vehicle the department is using and will not be an expansion to their fleet.

The vehicle to be donated is a 2006 Ford with 126,682 miles.

North Carolina General Statute 160A-279 authorizes the county to convey personal property to a nonprofit organization without monetary consideration as long as the property will be used for a public purpose. The process begins with the governing board adopting a resolution authorizing the conveyance of the property and a ten-day public notice.

RECOMMENDATION

The Finance and Personnel Subcommittee recommends the Board of Commissioners adopt the following resolution donating personal property to the Catawba Fire Department.

RESOLUTION No.
DECLARATION OF SURPLUS PROPERTY AND DONATION TO THE
CATAWBA FIRE DEPARTMENT

WHEREAS, Catawba County owns a 2006 Ford Crown Victoria that is no longer needed for any governmental use;

WHEREAS, North Carolina General Statute 160A-279 authorizes a county to convey personal property by private sale to a nonprofit organization;

WHEREAS, North Carolina General Statute 160A-279 authorizes the conveyance without monetary consideration if the recipient ensures the property will be used for a public purpose;

WHEREAS, the Catawba Fire Department is a nonprofit organization that provides a public service;

THEREFORE, the Catawba County Board of Commissioners resolves that:

1. A Ford Crown Victoria is declared surplus property.
2. The property will be donated to the Catawba Fire Department without monetary consideration.
3. The Purchasing Manager shall be authorized to conduct the transfer of property and shall publish a notice summarizing the contents of this resolution and the property shall be conveyed anytime after ten days after the notice publication.

This the 2nd day of June 2014.

Katherine W. Barnes, Chair
Catawba County Board of Commissioners

MEMORANDUM

TO: Catawba County Board of Commissioners

FROM: Finance and Personnel Subcommittee

DATE: June 2, 2014

SUBJECT: Edward Byrne Memorial Justice Assistance Grant (JAG) Formula Program Grant Allocation

REQUEST

The Finance and Personnel Subcommittee recommends the Board of Commissioners approve a grant application for the 2014 JAG Grant.

BACKGROUND

JAG funding allocation is based on population and violent crime statistics. The 2014 Justice Assistance Grant (JAG) has been announced and our eligible award is \$15,702, with no local match required. The Sheriff's Office is requesting these funds be used to purchase the following equipment to improve law enforcement:

EZ Child ID Mobile System – to provide a public service to citizens to capture contact information, fingerprints, photo, and video interview of children, teens, and senior citizens. The family receives a child ID report with printed ID card & a CD-ROM of photos and video. Files are deleted after the session. All data is kept by the family to use if child is missing or abducted to aid law enforcement in recovery. It captures all data required by the Amber Alert system.

Forensic extractor upgrade – to continue obtaining forensic data from mobile devices, the 2012 system will need to be upgraded by 2015. This is used on many cases, with the bulk being drug cases and crimes against children (especially child pornography). It can recover "deleted" text and photos from older cell phones and newer smart phones, tablets, and computers to be used in trials for conviction.

RECOMMENDATION

The Finance and Personnel Subcommittee recommends Board of Commissioners approve this request to submit the 2014 JAG Grant application and approve appropriation upon award.

SUPPLEMENTAL APPROPRIATION UPON AWARD

Revenue

110-210050-620320	\$15,702
Justice Assistance Grant	

Appropriation:

110-210050-985000	\$ 5,000
Law & Admin Other Equipment	
110/210050-870100	\$10,702
Law & Admin Small Tools	

MEMORANDUM

TO: Catawba County Board of Commissioners

FROM: Finance and Personnel Subcommittee

DATE: June 2, 2014

SUBJECT: Approval of Hiring a Relative of the Sheriff

REQUEST

The Finance and Personnel Subcommittee recommends the Board of Commissioners approve the appointment of Sean Reid to the position of Deputy Sheriff.

BACKGROUND

Per North Carolina General Statute 153A 103, the Board of Commissioners must approve the appointment of an officer who is a relative of the Sheriff. Sheriff Reid is requesting approval of the appointment of his son, Sean Reid, to an entry level Deputy Sheriff position on the day shift of Road Patrol. Sean was a patrol officer with the Hickory Police Department for over six years. Sean also worked as a School Resource Officer and obtained the rank of Senior Patrol Officer. He is married with four children and he also has a 4 year degree. Sean had to put his career on hold for several years to be a stay at home dad while his wife continued her career. He is now ready to resume his career and Sheriff Reid would like to see him become part of the family at the Catawba County Sheriff's Office. His law enforcement certification is being held by the Alexander County Sheriff's Office, making him ready to move into a full time position.

North Carolina General Statute 153A reads as follows:

§ 153A-103. Number of employees in offices of sheriff and register of deeds.

Subject to the limitations set forth below, the board of commissioners may fix the number of salaried employees in the offices of the sheriff and the register of deeds. In exercising the authority granted by this section, the board of commissioners is subject to the following limitations:

- (1) Each sheriff and register of deeds elected by the people has the exclusive right to hire, discharge, and supervise the employees in his office. However, the board of commissioners must approve the appointment by such an officer of a relative by blood or marriage of nearer kinship than first cousin or of a person who has been convicted of a crime involving moral turpitude.
- (2) Each sheriff and register of deeds elected by the people is entitled to at least two deputies who shall be reasonably compensated by the county, provided that the register of deeds justifies to the Board of County Commissioners the necessity of the second deputy. Each deputy so appointed shall serve at the pleasure of the appointing officer.

Notwithstanding the foregoing provisions of this section, approval of the board of commissioners is not required for the reappointment or continued employment of a near relative of a sheriff or register of deeds who was not related to the appointing officer at

the time of initial appointment. (1953, c. 1227, ss. 1, 2; 1969, c. 358, s. 1; 1973, c. 822, s. 1; 1977, c. 36; 1979, c. 551; 1987, c. 362.)

RECOMMENDATION

The Finance and Personnel Subcommittee recommends the Board of Commissioners approve this request to hire Sean Reid as a Deputy Sheriff.

MEMORANDUM

TO: Catawba County Board of Commissioners

FROM: Finance and Personnel Subcommittee

DATE: June 2, 2014

IN RE: Carolina Thread Trail Implementation Grant – Appropriation of Grant Funds

REQUEST

The Finance and Personnel Subcommittee recommends the Board of Commissioners accept and appropriate grant funds for the Carolina Thread Trail Implementation Grant awarded to Catawba County on May 6, 2014 to construct a hard surface trail, footbridge and other improvements adjacent to Radio Station Road across the Catawba County Government Center Campus.

BACKGROUND

The Carolina Thread Trail Governing Board approved a grant of \$87,000 to Catawba County on May 6, 2014 to fund the design, permitting and construction of approximately 670 feet of new sidewalk, as well as the design, permitting and construction of a 25 foot bridge along a natural surface trail segment on the campus. This 0.5 mile trail segment adjoining Heritage Trail in Newton will complete a 6.3 mile continuous trail connecting the cities of Newton and Conover. The grant does not require a monetary match from the County. Planning staff is working with a group of volunteers on a series of workdays to construct the new natural surface trail as part of our in-kind contribution to the grant. The public LEED Certified parking lot being constructed at the new animal shelter is also a part of the County’s in-kind contribution.

RECOMMENDATION

The Finance and Personnel Subcommittee recommends the Board of Commissioners accept and appropriate the grant funds to design and construct a hard surface trail, footbridge and other improvements adjacent to Radio Station Road across the Catawba County Government Center Campus.

Revenue

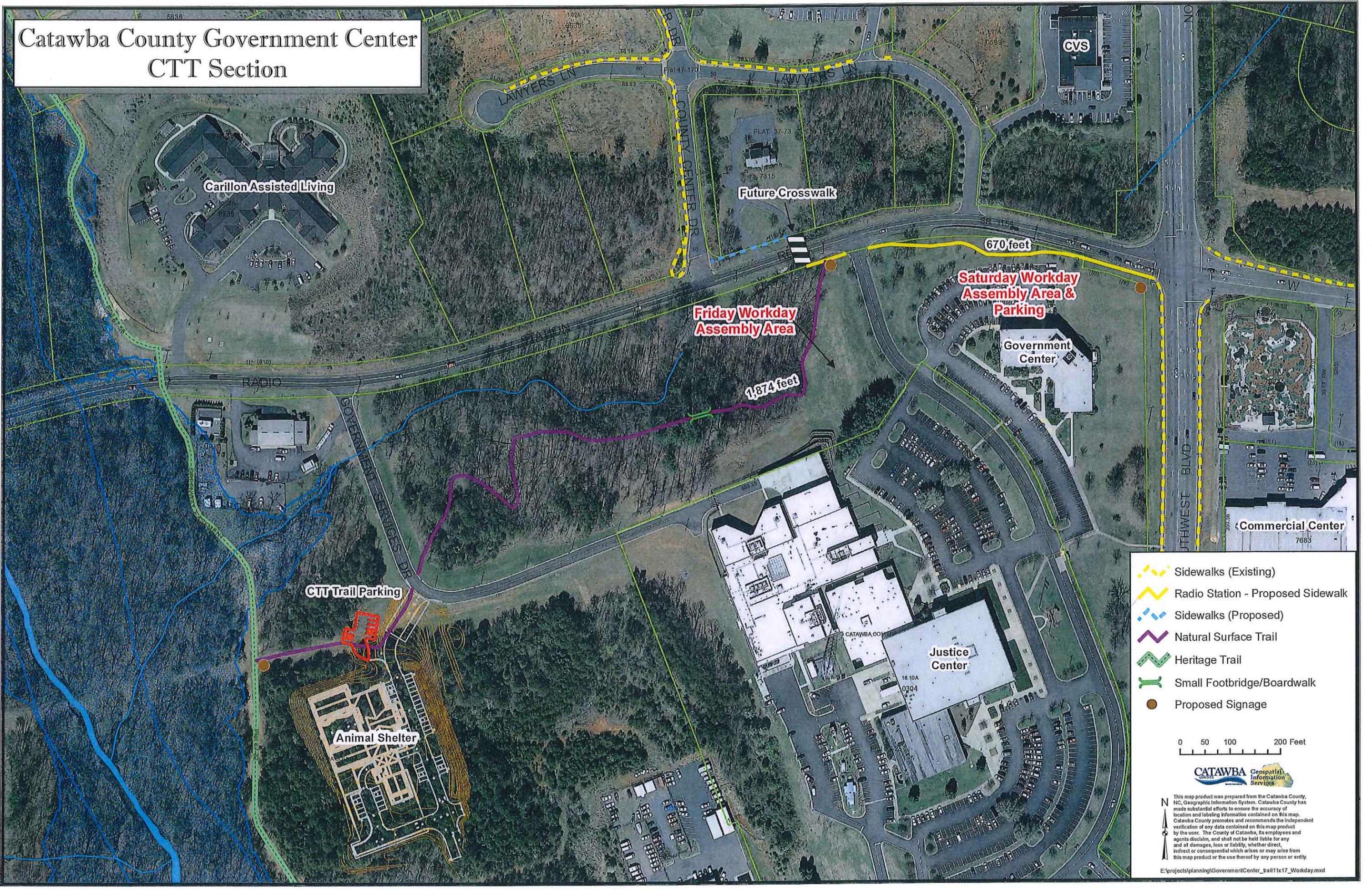
410-460100-682425 \$87,000
Grant-Carolina Thread Trail

Expenditure

410-460100-856900-18024 \$15,000
Other Professional Services

410-460100-988000-18024 \$72,000
Bldg. Structures & Improvements

Catawba County Government Center CTT Section



Friday Workday
Assembly Area

Saturday Workday
Assembly Area &
Parking

1,874 feet

670 feet

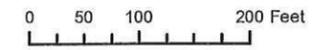
CTT Trail Parking

Animal Shelter

Justice
Center

Commercial Center

-  Sidewalks (Existing)
-  Radio Station - Proposed Sidewalk
-  Sidewalks (Proposed)
-  Natural Surface Trail
-  Heritage Trail
-  Small Footbridge/Boardwalk
-  Proposed Signage



This map product was prepared from the Catawba County, NC, Geographic Information System. Catawba County has made substantial efforts to ensure the accuracy of location and labeling information contained on this map. Catawba County promotes and recommends the independent verification of any data contained on this map product by the user. The County of Catawba, its employees and agents disclaim, and shall not be held liable for any and all damages, loss or liability, whether direct, indirect or consequential which arises or may arise from this map product or the use thereof by any person or entity.

MEMORANDUM

TO: Catawba County Board of Commissioners

FROM: Policy and Public Works Subcommittee

DATE: June 2, 2014

RE: Suggested Outcome Revisions

REQUEST

The Policy and Public Work Subcommittee recommends the Board of Commissioners approve the modification of two existing Social Services outcomes for the 2013-14 Fiscal Year.

BACKGROUND

As you know, Social Services begins its outcome process each fall-well before its budget is finalized. Often times, outcome adjustments will have to be made and those will be taken before the Social Services Board for approval to forward to the Board of Commissioners. The reasons for these revisions include having outcomes that are unrealistic due to lack of available data at the time they were set; as well as changes in state/federal policy, or local decisions that are made to programs.

Day Treatment is a mental health reimbursable service that is primarily provided in an alternative school setting. As of January 1, 2014, Social Services operated three mental health day treatment sites through Family NET. In March, the Family NET's Hickory Career Arts & Magnet School (HCAM) day treatment program was closed due to changes at the state and local level regarding mental health services and reimbursement. Effective July 1st, Newton Conover and Catawba County school systems are modifying their approach to alternative educational settings and are creating separate programs. As a result, the ACT program which serves elementary school children from all three systems, and Catawba County School's Rosenwald program for adolescents, will also be making changes. Social Services has discussed needs with the superintendents regarding how the program can look based on the proposed changes. Additionally, on April 7th and 8th, Social Services met with day treatment staff at each site and discussed the changes the school systems have proposed for the next school year.

Based on these changes, day treatment services are no longer the most appropriate and viable service. To meet the needs of the current students being served and the needs of the overall student population, Family NET will partner with the three school systems to cost share mental health therapeutic services (individual, group, and family) at specified sites by a licensed clinician.

Given that three day treatment sites will close on or before July 1, the day treatment outcome is impacted. Reduction in referrals has occurred in preparation for these changes which will basically negate progress toward the outcome in the last quarter.

Social Services has another outcome that pertains to ability to track data related to the processing of Food Assistance applications. Due to the implementation of NC FAST and the challenges associated with this system over the last year, Social Services is requesting to modify this outcome as well. Getting data out of NCFast has proven to be difficult at the State level. When this outcome developed, it was hoped, and Social Services had been told, that needed data would be readily available. However, this has not proven to be the case.

Therefore, the requested change in the outcome mirrors what information that can be pulled from the system with a degree of accuracy.

For each of the above situations, additional information has been listed to give context as to the rationale for each outcome change. These proposed changes have minimal impact.

Current Day Treatment Outcome:

*To increase appropriate social, emotional, and behavioral functioning in a school setting and to enhance student potential for academic success, 85% of children attending day treatment (33 of 38) will show a significant decrease **(at least 2 points)** in their Child and Adolescent Level of Care Utilization System (CALOCUS) score, used to determine intensity of services, resources required, and duration by assessing multiple dimensions (risk of harm, functional status, co-morbidity, recovery environment, resiliency and treatment history, acceptance and engagement) by FY 2013-14.*

Proposed Revised Day Treatment Outcome:

*To increase appropriate social, emotional, and behavioral functioning in a school setting and to enhance student potential for academic success, 85% of children attending day treatment (33 of 38) will show a significant decrease **(at least 1 point)** in their Child and Adolescent Level of Care Utilization System (CALOCUS) score, used to determine intensity of services, resources required, and duration by assessing multiple dimensions (risk of harm, functional status, co-morbidity, recovery environment, resiliency and treatment history, acceptance and engagement) by FY 2013-14.*

Current Food Assistance Outcome:

*To assure that the needs of citizens are met promptly and the implementation of NCFAST will continue to positively support the mission of the program, 99% of all approved food assistance applicants will be processed **within an average of 8 days or less during FY 2013-14** as compared to the Federal goal of 97% within 30 days.*

Proposed Revised Food Assistance Outcome:

*To assure that the needs of citizens are met promptly and the implementation of NCFAST will continue to positively support the mission of the program, 99% of all approved food assistance applicants will be processed **within 8 days by June FY 2013-14** as compared to the Federal goal of 97% within 30 days.*

RECOMMENDATION

Staff recommends the Policy and Public Works Subcommittee recommends the Board of Commissioners approve the above outcome revisions. The Board of Social Services will review and approve these revisions at its next meeting.

MEMORANDUM

To: Catawba County Board of Commissioners

From: Rodney N. Miller, Finance Director

Date: June 2, 2014

Subject: County Debt Management Policy

Request

The Board is requested to adopt a new Debt Management Policy that will be incorporated into the annual budget document.

Background

The County has issued debt for construction projects over the last several years through financing described under G.S. 160A-20. This type of financing pledges the asset acquired or constructed as collateral for the loan in case of default. One of those financing methods is through a direct bank loan that includes a fixed rate and term, which has usually been fifteen years for the County. More recently, this type of financing has not been available as banks have shortened the term of loans they are willing to offer.

Another option is to issue fixed-rate bonds, similar to the Certificates of Participation (COPs) the County issued in 2004 and 2005. This financing also uses collateral to secure the loan, but in addition relies on the credit worthiness of the County through a rating assigned by two of the three national rating agencies. This financing affords the issuer a longer term and access to financial markets across the country, rather than one or more banks in the issuer's region. A credit rating is assigned based on issuing General Obligation (GO) Bonds, which pledges the full faith and credit of the issuer/local government. For COPs or Limited Obligation Bonds (LOBs), the County is not pledging our tax revenues; rather, we are pledging collateral and our ability to repay debt based on our credit rating.

The County's credit rating is Aa1 with Moody's Investor's Service and AA with Standard & Poor's (S&P), two rating agencies based in New York (the third is Fitch, which has not been pursued by the County in the past).

<u>Moody's</u>	<u>S&P</u>
Aaa	AAA
Aa1 (Catawba)	AA+
Aa2	AA (Catawba)
Aa3	AA-
A1	A+
A2	A
A3	A-

Looking at the table above from the bottom, an 'A' rating indicates that an issuer has a strong capacity to meet its financial obligations and has three steps before moving up to

the 'AA' tier. This indicates a very strong capacity to meet its financial obligations and also has three steps before reaching the highest tier of Aaa/AAA, which indicates an extremely strong capacity to the investor. In North Carolina, there are eight counties with at least one Aaa/AAA rating from one of the three rating agencies, with Buncombe County joining the group most recently late last year.

The County has had an Aa1 rating with Moody's since 2010, when the County last received an upgrade that had been in place for 28 years. This was not a reflection of growth/change by the County; rather, Moody's had recalibrated their rating classification to distinguish local governments from the private sector, which caused our rating to increase. This resulted in us having only one more step to an Aaa rating.

For S&P, the County has had an AA rating since 2004, when we were upgraded with the issuance of COPs that year. When the County issued \$20 million in bonds to finance the Justice Center expansion earlier this year, we were hopeful that S&P would give the County an upgrade, which would be equal to Moody's rating, one step below AAA.

To state our case, the County Manager, Economic Development Corporation President, Underwriter and I met with both of the rating agencies in New York to give an overview of the County, describe the project, discuss our tax base profiles and economic drivers, as well as review our financial management, outstanding debt, and future plans.

To our dismay, neither rating agency granted an upgrade to the County's credit rating in their reports. In the Moody's report, our strengths were: 1) stable financial position and 2) manageable debt burden compared to our weaknesses, which were 1) moderately high unemployment compared to state and national averages and 2) high taxpayer concentration. Both of our strengths have been in place for many years and are a testament to prudent financial management by the Board and the County. For unemployment, as well as other economic metrics (income levels, economic makeup and educational attainment), the County continues to be seen in a negative light despite recent improvement in unemployment rates, positive trends in educational achievements and continued diversification in our local economy.

For S&P, our focus in New York was an upgrade since it was our belief that the County had improved in all areas since 2004, which was the last upgrade. Their report reflected that fact, though in the end it wasn't quite enough to tip the scales in favor of a higher rating. S&P informed us that they have a new methodology for 2014 that assigns weights to various economic, financial and management indicators. In all categories except *Economy*, the County had a 'strong' or 'very strong' rating. In the *Economy* indicator, the County's income levels compared to the national average (85%), elevated unemployment rating compared to state and national averages, and high concentration of manufacturing employment indicated that we did not have a broad and diverse economy; therefore, too much uncertainty to justify an increase.

After discussing with the rating agency analysts, we were informed that the County was at the high end of the AA rating scale. Two areas of improvement were mentioned that would have generated an upgrade in their rating methodology – our *Unemployment* rate needed to be consistently less than 10% for the year and under

their *Management* criteria, our *Debt Policy* needed to be significantly expanded to incorporate all facets of Debt Management.

Catawba County's annual Unemployment rate for 2013 was 9.0%, which was within 1% of the state average of 8.0% and significantly under their 10.0% threshold. **Attached is an updated Debt Management Policy for your consideration that reflects the current debt management practices of the County that is expected to receive full credit in the eyes of the rating agencies.**

Recommendation

Staff recommends the Board of Commissioners adopt a new Debt Management Policy to be incorporated into the annual budget document. It is our belief that this policy, along with our improved unemployment rate, will afford the County a great opportunity to receive a bond rating upgrade if we decide to go to back to the bond market later this year with the planned Vocational Building/High School at CVCC.

CATAWBA COUNTY, NORTH CAROLINA DEBT MANAGEMENT POLICY

INTRODUCTION

Catawba County recognizes that a formal debt policy is essential to effective financial management. Adherence to a debt management policy signals to rating agencies and capital markets that the government is well managed and therefore likely to meet its debt obligations in a timely manner. In addition, it helps to insure that a government maintains a sound financial position and that credit quality is protected. Debt management policies are written guidelines, allowances and restrictions that guide the debt issuance process and it is a recommended practice of the Government Finance Officers Association (GFOA).

Many of the processes for approval, sale and repayment of debt are controlled by North Carolina General Statutes and may not all be repeated within this policy. This debt policy is to be used in conjunction with those laws and regulations along with the operating and capital budgets and other financial policies. Objectives of the debt policy have been established to assist the County in retaining its bond ratings and include:

- Funding a Capital Improvement Plan
- Maintaining an appropriate mix of pay-as-you-go and debt funding
- Maintaining an adequate fund balance, including an appropriate level of unassigned fund balance
- Structuring debt repayment schedules that observers expect of highly rated (AA or AAA) counties

DEBT INSTRUMENTS

The County will use appropriate debt instruments to provide funding for capital assets and improvements at the lowest cost with minimal risk:

General Obligation Bonds:

General Obligation Bonds are bonds secured by a promise to levy taxes in an amount necessary to pay debt service, principal and interest, coming due each fiscal year until repaid. General obligation bonds are backed by the full faith and credit of the County. These bonds are authorized by a referendum or by non-voted (2/3) authorization by the governing body. The non-voted authorization allows governments to issue up to two-thirds of the previous year's net debt reduction without a referendum.

Revenue and Special Obligation Bonds:

Revenue bonds are bonds that pledge revenues generated by the debt-financed asset or by the operating system of which that asset is a part. Special Obligation Bonds are bonds that are payable from the pledge of revenues other than locally levied taxes.

Other Financing Options:

Installment financings are alternative financing methods that do not require a referendum. Certificates of Participation or Limited Obligation Bonds represent an undivided interest in the payments made by a public agency pursuant to a financing lease or an installment purchase agreement. The security for this financing is represented by a lien on the property acquired or constructed.

An Installment Purchase Contract is an agreement with a financial institution in which the equipment or property is acquired and periodic payments are made to satisfy the debt service. The County will typically use this type of financing to finance a capital asset for ten to fifteen years with the capital asset being used as collateral for the loan. In other cases, this financing will be used for short-term equipment/vehicle purchases of three to five years.

The County will use pay-as-you-go funding for capital improvements or capital assets having a cost of less than \$250,000 or assets having a useful life of less than ten years unless budgetary constraints require the use of financing to acquire the necessary funding for those capital improvements or capital assets.

PURPOSES FOR DEBT ISSUANCE

The County may issue debt for the purpose of acquiring or constructing capital assets including land, buildings, machinery, equipment, fixtures and any other eligible expenses of a project and for making major renovations to existing capital improvements that are for the good of the public. Exceptions to this rule will be considered on a case-by-case basis to determine if the contemplated debt is in the best interest of the County. Long-term debt shall not be used for financing ongoing operational expenses. When applicable, debt issuance will be pooled together to minimize issuance expense.

Before issuing any new debt the County will consider the following factors:

- Global, national and local financial environment and economy
- Current interest rates and expected interest rate changes
- Cash position and current debt position
- Availability of funds to repay the debt
- Urgency of current capital needs and flexibility to meet future needs
- Appropriate debt issuance practices and debt structuring

DEBT STRUCTURE

The debt structure is made up of the type of debt, interest rate and principal maturity schedule. This could include General Obligation Bonds, Revenue or Special Obligation Bonds or other installment financings. The cost of taxable debt is typically higher than the cost of tax-exempt debt; however, the issuance of taxable debt is mandated in some circumstances and may allow flexibility in subsequent contracts with users or managers of the improvements constructed with bond proceeds. The County will usually issue obligations on a tax-exempt basis, but may

occasionally issue taxable obligations when there is an expected benefit from doing so. The County shall establish an affordable debt level to preserve credit quality and insure sufficient revenue is available to pay annual debt service obligations.

General Obligation Bonds will generally be competitively bid with no more than a 20-year life unless there are compelling factors which make it necessary to extend beyond and applicable law allows a longer term. In a competitive sale, the County may sell its debt obligations by allowing an interested underwriter or syndicate to submit a proposal to purchase and issue bonds. The bonds are awarded to the underwriter presenting the best bid according to stipulated criteria set forth in the notice to sale.

Negotiated sales or private placements may be used where allowed when complex financing or sales structure is a concern with regard to marketability. In a negotiated sale, the bonds may be sold through an exclusive arrangement between the County and an underwriter or underwriting syndicate. At the end of successful negotiations, the issue is awarded to the underwriter. This method offers the most flexibility to the County. The criteria used to select an underwriter or syndicate in negotiated sales should include, but not be limited to the following: overall experience, marketing philosophy, capability, recent experience, underwriter's discount and overall expenses.

The County may elect to sell its debt obligations through a private placement with a financial institution when appropriate. Selection through private placement shall be determined through a Request for Proposal (RFP) process.

Debt service for each issue will be structured in an attempt to minimize the County's interest payments over the life of the issue while taking into account the existing debt obligations of the County. Any debt issued shall not have a maturity date beyond the useful life of the asset being acquired or constructed by the debt proceeds.

The County may also consider various financing methods including fixed or variable interest rate debt in order to minimize the interest costs over the life of the issue. The use of these methods will be evaluated based on market conditions and the maximum benefit to the County while minimizing the County's risk. When appropriate, the County may choose to issue securities that pay a rate of interest that varies according to a predetermined formula or results from a periodic remarketing of the securities or reset date determined by the bondholder. The County will limit the issuance of variable rate debt to help maintain the County's credit rating. The County's long term variable rate debt will not exceed 10% of the total outstanding general debt.

Investment of bond proceeds will be consistent with those authorized by existing state law, the County's investment policy and applicable bond covenants. Bond proceeds shall be invested and tracked separately from other investments.

DEBT RATIOS

The County will use an objective, analytical approach to determine the amount of debt to be considered for authorization and issuance. This process involves the comparison of generally accepted debt ratios from similar counties to the current County ratios. These ratios will be re-evaluated every five (5) years or sooner as market conditions dictate. The County shall adhere to the following ratios:

Net Direct Debt Per Capita

This ratio measures the burden of direct debt placed on the population supporting the debt. This is widely used by rating agencies as a measure of an issuer's ability to repay the debt. The County's General Obligation debt per capita will be in line with other North Carolina counties that maintain the same credit rating. The County will maintain per capita debt that does not exceed \$2,000.

Net Direct Debt as a Percentage of Assessed Valuation

This ratio measures debt levels against the property tax base that generates the tax revenues used as the main source of debt repayment. The County will maintain its debt at no more than 1.50% of the countywide assessed value.

Net Direct Debt Service as a Percentage of Operational Budget

This ratio reflects the County's budgetary flexibility to adjust spending levels as economic conditions change. The County will maintain its net debt service at no more than 20% of the operational budget.

Ten-Year Payout Ratio

This ratio measures how quickly the County retires its outstanding indebtedness. A higher payout ratio preserves the County's capacity to borrow for future capital needs. The County will maintain its ten-year payout at a 65% level or higher.

REFINANCING OF OUTSTANDING DEBT

The County will continually review its outstanding debt and recommend issue for refunding as market opportunities arise. Debt shall only be refinanced for the purpose of achieving debt service savings, unless required to achieve specific debt management goals of the County. The estimation of net present value savings should be, at a minimum, in the range of 3% of the refunded maturities before a refunding process would be considered unless the County otherwise determines the annual savings warrant the refunding. The County will not refinance debt for the purpose of deferring scheduled debt service, unless unique circumstances are present. The County is aware that refinancing for the purpose of deferring debt service may have an impact on its credit rating.

The County may issue advance refunding bonds when advantageous, legally permissible and prudent while net present value savings are achieved. Advance refunding transactions are those undertaken in advance of the first date the refunded debt can be called for optional redemption and will require an establishment of an escrow account for the defeasance of the refunded debt. All costs incurred in completing the refunding shall be taken into account when determining the net present value savings.

The County may issue current refunding bonds when advantageous, legally permissible and prudent while net present value savings are achieved. Current refunding transactions shall be considered whenever possible. These transactions are undertaken at or after the call date on outstanding debt and provide for redemption and replacement of refunded debt within ninety days of issuance of the refunding debt.

PAY-AS-YOU-GO FUNDING

The County shall use pay-as-you-go and other alternative sources of funding for capital projects to minimize debt levels. To have an effective pay-as-you-go program, at least one funding source must be identified that is consistent, reliable and large enough to provide for capital needs in an amount that reduces dependency on debt. In order to reduce the impact of capital programs on future years, the County will annually appropriate funds for its capital improvement plan. The County will also appropriate proceeds from the sale of capital assets and land, as deemed appropriate, for capital projects. This practice will allow additional funding of capital improvement projects and reduce the County's dependence on borrowing. Pay-as-you-go funding will save money by eliminating interest expense on funded projects and will improve financial flexibility in the event of sudden revenue shortfalls or emergency spending.

ISSUANCE OF DEBT

The scheduling and amount of bond sales and installment purchase transactions will be recommended by the Finance Director and County Manager. The Board of County Commissioners must approve the sale. These decisions will be based upon the identified cash flow requirements for each project to be financed as well as market conditions and other relevant factors including debt ratios. If the cash requirements for capital projects are minimal in any given year, the County may choose not to issue the debt and fund the project costs and reimburse these costs when financing is arranged. In these situations the County will adopt a reimbursement resolution prior to the expenditure of project funds.

Fixed rate General Obligation Bond sales are conducted on a competitive basis by the Local Government Commission (LGC), a division of the Office of State Treasurer. Variable rate bonds, revenue and special obligation bonds will be sold on a negotiated basis with a selected underwriter.

The County must receive an opinion acceptable to the market from a nationally recognized law firm that each financing transaction complies with applicable laws and all agreements in connection with any financing are legal, valid and binding obligations of the County.

CONTINUING DISCLOSURE

In accordance with the Securities and Exchange Commission (SEC), Rule 15c-2-12, the County will provide financial and operating information to the repository or repositories designated by the SEC. Where applicable, the County will also provide its Comprehensive Annual Financial Report (CAFR) and other relevant information to rating agencies, corporate trustees and financial institutions as required by continuing disclosure requirements within all debt financing documents.

ARBITRAGE LIABILITY MANAGEMENT

The County will maintain a system of record keeping and reporting to meet the arbitrage and rebate compliance requirements of the federal tax code. This effort includes tracking investment earnings on bond proceeds, calculating rebate payments in compliance with tax law and remitting applicable earnings to the federal government in a timely manner in order to preserve the tax-exempt status of the County's outstanding debt issues.

It is the County's policy to minimize the cost of arbitrage rebate and yield restriction while strictly complying with the applicable laws. Because of the complexity of arbitrage rebate regulations and the severity of non-compliance penalties, arbitrage calculation will be performed by qualified arbitrage professionals in strict adherence to applicable laws and regulations. These calculations will be done in accordance with required Internal Revenue Service reporting dates.

FINANCING TEAM

The County will provide for a solicitation and selection process for securing all professional services required in connection with any debt issues. The service professionals selected will be required to follow the County's debt management policy with the goal of continuity, quality service and competitive prices.

ADMINISTRATION AND IMPLEMENTATION

The County Manager and Finance Director are responsible for the administration and issuance of debt including the completion of specific tasks and responsibilities included in this policy.