

**Minutes of the  
Albemarle Commission Board of  
Delegates August 15, 2019  
6:00 PM**

**Opening**

Chairwoman Tracey A. Johnson called the meeting to order at 6:00 p.m.

Chairwoman Johnson made the following changes to the Agenda, moving the Invocation before the Pledge and moving Item 9-A to 6-A.

**Invocation**

Board Member Fondella Leigh led the Board in the Invocation.

**Pledge of Allegiance**

Board Member Jordan Davis led the Board in the Pledge of Allegiance.

**Determination of Quorum**

The presence of a quorum was determined by Clerk and Administrative Benefits Coordinator, Ashley Stallings, with eleven (11) Members present.

<b><u>Name</u></b>	<b><u>County</u></b>
Clayton Riggs	Camden
Harriett DeHart	Chowan
Paul Beaumont	Currituck
Elizabeth White	Currituck
Howard Swain	Dare
Rob Ross	Dare
Lloyd Griffin	Pasquotank
Fondella Leigh	Perquimans
Wallace Nelson (Alternante, Not Voting)	Perquimans
Jordan Davis	Tyrrell
Tracey A. Johnson	Washington
Marion Gilbert	Ex Officio
 <b><u>Absent Members</u></b>	
Sandra Duckwall	Camden
Robert Kirby	Chowan
Linda Hofler	Gates
Earl Pugh	Hyde

**Partners, staff, and guests present:**

Attorney John Leidy of Hornthal, Riley, Ellis and Maland was present.

**Staff members:**

Melody Wilkins, Executive Director  
Jeri Hansen, Finance Officer  
Angela Welsh, RPO Director  
Ashley Stallings, Administrative & Benefits Coordinator

**Guests and Partners**

Guest speaker C. Ruffin Poole of Aqua

**Agenda (VOTE):**

Chairwoman Johnson amended the agenda by moving the Invocation before the Pledge of Allegiance and moving item 9-A to 6-A. Board Member Lloyd Griffin made a Motion to adopt the Agenda with approved changes. His Motion was seconded by Jordan Davis. With no further discussion, the Motion carried unanimously.

**Approval of July 2019 Minutes (VOTE):**

Chairwoman Johnson requested to change the position she is running for at the Commissioners state-wide conference in August as she is running for Second Vice President, not President. Board Member Jordan Davis made the Motion to approve as amended. His Motion was seconded by Board Member Fondella Leigh. With no further discussion, the Motion carried unanimously.

**Public Comment:**

None.

**Presentation on Water/Sewer Infostructure. C. Ruffin Poole. Aqua**

Executive Director Melody Wilkins introduced C. Ruffin Poole with Aqua.

Ruffin Poole, Director of Corporate Development for Aqua, NC, thanked the Board for allowing him the opportunity to present at the meeting. He stated that water infostructure is a big challenge. He discussed how Aqua is one of the largest regulated water and waste water utilities in North Carolina. They operate in 51 Counties across the state; however, they don't have much of a presence in the Northeast and Albemarle Region. Carolina Water does have operations in Currituck and Dare County. He spoke of them operating 59 waste water treatment plants across 17 counties and 750 water systems across 51 counties. He mentioned the size of their systems and the size range of their waste water treatment plants.

Aqua has regional offices in Hampstead, main office in Cary, with other offices in Kernersville, Denver and Fayetteville. Every year the American Water Works Association does a study on what is impacting people and what is impacting both regulated and non-regulated government systems across the state.

The biggest issue facing folks is the renewal of waste water and water infostructure. That is the pipes that have been in the ground over 50 plus years and plants that have been in operation for 40 plus years. He went on to discuss the value of water noting the cost of water increases every year because of chemicals, electricity, and labor.

He talked about what the government can provide and what other industries like Aqua can provide. He stated the analysis shows \$26 billion of water and waste water infostructure is needed over the next 20 years.

Board Member Rob Ross asked if we would be needing \$26 billion over the next 20 years, where would the money come from? Ruffin Poole responded by stating the challenge is identifying funding sources. It is a mix of money from the Federal, State, and Local government. Board Member Rob Ross asked how much money had been spent in the last 10 years. Ruffin Poole responded by stating you will see a gradually incline.

He spoke about Aqua being a member of the National Water Association Company. Some of the biggest challenges are financial resources, expertise, and compliance.

He talked about two proposals tied up in the state budget with one being the system viability grant loan. The Local Government Commission (LGC) and DEQ have been working together on a protocol for what distress systems are. Finally, systems resiliency grants and loans have been pushed due to

Board Member Rob Ross asked what the impact would be of voting yes to this Resolution? He asked if this was just a Resolution of support to the Regional COGs. Chairwoman Johnson responded by stating yes, we are supporting the COGs.

Board Member Jordan Davis made a Motion to accept the Resolution. His Motion was seconded by Clayton Riggs. With no further discussion, the Motion carried unanimously.

**c. Consideration of the Revolving Loan Fund Program VOTE**

Executive Director Wilkins discussed the proposed Staff recommendation to voluntarily terminate the Revolving Loan Fund Program (RLF). She listed the reasons why the Staff made this recommendation. Albemarle Commission has been out of compliance with the past two corrective action plans with the Economic Development Administration (EDA). The Commission agreed to close four loans per year. The Commission on average has only closed one loan every other year for the past 25 years. EDA will take action on the program by December 31<sup>st</sup>. Her goal is do something more proactive, to find a way retain as much of the Commission match funds as possible. She spoke of not having staff with the expertise to lend money, collect debts, and accrue interest. Also mentioned the legal cost associated with the operation of an RLF program.

Board Member Clayton Riggs spoke of the Commission not having the success rate or the expertise to be in the loan business. He felt we could better serve our community trying to help them get other resources.

Director Wilkins spoke of the RLF being a high-risk program to the Commission. If the Commission decided to voluntarily terminate the program, the Commission would keep \$12,771 and the three existing loans with an approximate total principal balance of \$71,373. This would result in the Commission keeping about \$84,000 total.

Ex Officio Marion Gilbert asked if we resolved the RLF, would the current notes be called and serviced through the EDA vs the Commission? Director Wilkins stated the Commission would continue to collect the existing notes. Ex Officio Marion Gilbert stated they would be grandfathered in until they are paid. Director Wilkins responded that money from open loans could go into the General Operating account at the pleasure of the Board. Ex Officio then asked if there would be any financial repercussions of dissolving the program? Director Wilkins responded saying if any remaining loans became uncollectible, the Commission would have to absorb the entire loss. However, some of the alternatives offered by EDA/RLF included the transfer of good standing loans. She discussed option 4 kept the Commission owning the three outstanding loans.

Board Member Rob Ross discussed option 4 on page 16 of the package. Board Member Lloyd Griffin stated the recommendation for option 4 was already on the Resolution on page 18 in the package.

Board Member Rob Ross made a Motion to adopt the Resolution. His Motion was seconded by Board Member Howard Swain.

Director Wilkins stated this will require the Commission to refund the RLF-EDA program approximately \$252,000 of their capital. She asked Finance Officer Jeri Hansen to confirm the money is available once we sign the agreement with the RLF-EDA as it will be due them within 30 days of program termination. Finance Officer Hansen didn't have the account information in front of her to confirm. Director Wilkins assured the Board staff could confirm prior to signing any agreement with them until we make sure we have that money available. Finance Officer Hansen stated as of June 30 we were short of the \$252,000. Board Member Rob Ross spoke of the

numbers given from Finance Officer were not on scenario 4.

Director Wilkins stated the numbers given on the options are accurate as the numbers came directly from EDA-RLF.

Board Member Howard Swain asked if the \$252,000 was in an account?

Director Wilkins responded by stating yes. She was questioning the liquidity and availability of the funds. Finance Officer Hansen stated as of June 30, the EDA bank statement had \$210,528 in that particular account.

Board Member Rob Ross asked Finance Officer Hansen if she was saying those numbers are incorrect, therefore, do not represent what we just made a Motion to do? Finance Officer Hansen responded stating she was not saying they are incorrect but she needed to get verification of the account dollars on page 28. Board Member Rob Ross discussed he wasn't challenging or debating the cash availability, he was simply determining was item number 4 the correct representation of our \$12,000 that we keep with future prospects of another \$71,000 as these loans pay off and mature. Finance Officer Hansen responded stating yes. Board Member Rob Ross then stated he stood by his Motion.

Chairwoman Johnson asked Board Member Howard Swain if he stood by his second to the Motion. Board Member Howard Swain discussed needing to send EDA \$252,000, but yet we think there may be only \$210,000 in that account. Finance Officer Hansen responded by stating she needed to go back and check. It was her understanding the EDA account was the RLF account, but she may be incorrect. She needed to verify. Board Member Howard Swain discussed we are prepared to adopt the Resolution but seems making payment there will be a short fall.

Ex Officio Marion Gilbert asked in this process the account does have \$210,000, where would we pull the other money from?

Board Member Rob Ross stated by definition it can't be correct at \$252,000, he stated it's one or none. He was assured it was correct at \$252,000. Director Wilkins stated it's correct what we owe them, now we are moving on to where is the money being held. Board Member Rob Ross discussed it reads existing cash in the RLF \$265,000. Director Wilkins stated that is taken directly off of the report we just gave RLF. She wasn't sure if some of this money brought in was run through the General Operating Account. The question now is where's the money at. However, the figures are correct. Finance Officer Hansen explained part of their capital is still outstanding in loans, we are paying them back all of their capital in full upfront. We will then spend the next several years, until these loans are paid back, collecting the money back.

Board Member Rob Ross stated she used the term EDA account and the documents stated the RLF. He was wondering are these two different things or have we used the terms interchangeably. Finance Officer Hansen stated the EDA-Economic Development, it's the RLF program under the Economic Development Program. Board Member Rob Ross asked if the cash in the program \$265,000 under the EDA Program? Finance Officer Hansen responded it's \$252,500. Board Member Rob Ross stated attached in the RLF states \$265,000, he read that as we would then pay the \$252,000 out of that. Now Marion raises the question we are short \$42,000, where would that come from?

Board Member Howard Swain asked if he properly understood the loans in the portfolio of \$71,000, we would still have future obligation to repay some of that? Finance Officer Hansen stated, no. We would keep it all, then explained the EDA would look for 100% of their capital back within 30 days. We would still have a portion of their capital outstanding on the loans that

haven't been paid. We would be paying them back in full for their full investments, meanwhile, we are recouping that on our payments in the back end. We would not send any more money to the EDA after we pay them their initial investment. Right now, with the outstanding loans if we were to continue, 75% would be EDA capital. The difference between \$210,000 and the \$252,000 is that we still have capital principle balances outstanding that we will be collecting on but we have to pay that upfront to the EDA to get out of the RLF program.

Board Member Rob Ross asked if everyone understood the difference between \$252,000 and \$210,000. Board Member Lloyd Griffin stated \$42,000.

Board Member Lloyd Griffin stated the \$42,000 could come out of the Fund Balance until the money came back from the repaying loans. Board Member Rob Ross stated he had no objection if that was the case. However, he was still struggling with existing cash in RLF \$265,207. Board Member Lloyd Griffin asked is the account EDA or RLF? He discussed there are two funding accounts. A portion EDA account, at one time the Directors salary came from. Then the RLF was monies set aside to loan out, which was a bank account you loaned out money and it came back into it. Board Member Rob Ross asked there is not \$265,207 cash in any RLF account? Board Member Elizabeth White responded by stating there is \$210,000. Board Member Rob Ross then asked if the \$265,000 in item 4 is an incorrect number? Board Member Elizabeth White explained it is correct and explained the difference.

Chairwoman Johnson asked if the \$265,000 was a receivable and not cash is that correct? Director Wilkins explained the figures came straight from EDA-RLF and that is their terminology. They are probably looking at our cash and theirs. Board Member Howard Swain asked if there was only one account for this? Finance Officer Hansen responded by stating as far as she knew. She stated she would need to do a little research to see if there were any incorrect allocations made at some point.

Board Member Rob Ross discussed the numbers under item 4, due to them not being our numbers and they have not been reconciled to our numbers he then withdraws his Motion.

Ex Officio Marion Gilbert discussed the amount that the Commission would pay out to dissolve the RLF was a small amount compared to what has been lost over the years. If we have the means in our Fund Balance, she felt we should get this done and behind us.

Board Member Howard Swain asked if we had time to postpone until September meeting? Director Wilkins responded by stating there is a plan due August 31, however she could ask for an extension. Board Member Rob Ross discussed he didn't think anyone was arguing to stay in the RLF, he was not arguing to proceed even if it meant to front the \$42,000 and collect it later. He would like to see the numbers and make sure they are correct and know what he was voting on.

Board Member Lloyd Griffin made a suggestion for staff to resolve this matter in the next day or two. Once staff gets the information, generate a survey with the information and send it out to the Board for a vote via email. This way it would not stop Director Wilkins with her opportunity to close out the program.

Chairwoman Johnson asked the pleasure of the Board on Board Member Lloyd Griffin's suggestion. Board Member Howard Swain asked Director Wilkins if this would work for her. Director Wilkins stated she believed they could get this information fairly quickly.

Chairwoman Johnson stated Board Member Rob Ross rescinded his Motion and the Board will await the information.

**d. Closed Session**

Board Member Lloyd Griffin discussed moving the Closed Session at the end of the Agenda. Chairwoman Johnson stated she was okay with moving the Closed Session at the end if that is the pleasure of the Board. Attorney Leidy suggested to make a Motion to have this moved.

Board Member Lloyd Griffin made a Motion to defer the Closed Session to the end of the Agenda after Item 13- Chairperson & Board. His Motion was seconded by Board Member Paul Beaumont. With no further discussion, the Motion carried unanimously.

Board Member Lloyd Griffin suggested to place the Closed Session at the end of the Agenda going forward.

**Staff Reports**

**NWDB:**

Board Member Lloyd Griffin spoke about NCWorks having a Ribbon Cutting Ceremony at COA on August 6, 2019. He spoke about NCWorks moving into a space at COA as a Career Center Partner. Their hopes are to move this into other locations in the future.

Chairwoman Johnson reminded the Board anytime they would like to hear something from staff let her know beforehand so they can ask them to come speak.

**Finance:**

Board Member Rob Ross had some questions on page 28. He asked about line item 320-Economic Development Admin. He asked if there was intentional by design underspending or did we not find enough opportunity to spend the \$71,000? If not, why not? Director Wilkins stated this figure goes towards her salary, she stated they would need to look to see if her time sheet is being done properly. She stated she would make sure it is expended. Board Member Rob Ross ask when it is investigated will the \$71,000 currently as an excess under budget in EDA be moved in a year to day expenditure indirect fund, department of transportation, Aging Program, or Workforce Development? Director Wilkins stated no. Board Member Lloyd Griffin discussed EDA monies are specifically designed for special projects. The Administrator, the Director, has been using that money to offset the cost of the General Fund with that salary. Previous Board felt a lot of the work Directors did was Economic Development work. Board Member Rob Ross asked if the budget was done incorrectly? Board Member Lloyd Griffin stated this was done before the idea of terminating the RLF. Director Wilkins stated we are not eliminating the EDA Planning Grant.

Board Member Rob Ross asked going forward to add talking points to state the reasoning to the differences in the budgets. He gave an example of NWDB's budget, as it appears the budget is underspent by \$2.4 million, however, that is not the case. He stated it makes it difficult to make a judgement on how well they are doing. Director Wilkins asked if the Board would like to have Workforce Director Dave Whitmer at the next meeting. Board Member Lloyd Griffin asked if he could also bring Workforce Finance person, Cynthia Gossage.

**Report of the Executive Director:**

Director Wilkins discussed her plans to visit the member Counties. On September 3<sup>rd</sup>, she is planning to visit Tyrrell and Perquimans County. She has also asked to meet with the Town Manager of Edenton and she has an appointment with the Town of Hertford to talk about what the Commission does. She talked about potentially going to Hyde and Dare in October.

**Report of Committees**

None

**Chairperson Comments:**

None.

Ashley Stallings asked the Board for their thoughts on hosting a Holiday gathering for the Board and Staff. Chairperson Johnson spoke of a discussion between the Executive Committee and Director Wilkins had about this gathering. The Board discussed a location for this gathering. Board Member Clayton Riggs suggested to not make the employees travel to far. It was suggested to host this in November for Staff and Board.

Ashley Stallings asked the Board their thoughts on the retaining the audio for each meeting. After some discussion and direction from Attorney Leidy, it was determined to save the recordings.

**Board Member Comments:**

Board Member Rob Ross spoke of his trip to Washington DC. He mentioned Board Member Paul Beaumont also attended. If anyone received an invitation next year, he encouraged them to attend.


Board Member Paul Beaumont discussed an issue he raised with Army Corp of Engineers and how they are no one's friends around this area. He discussed having two follow-up appointments with them.

**Closed Session**

Board Member Jordan Davis made a Motion to enter into closed session in accordance with North Carolina General Statute 143-318. (11) (l)(6) for a specific personnel matter. His Motion was seconded by Board Member Harriett DeHart. With no further discussion, the Motion was carried unanimously. The Board entered into closed session at 7:47 PM.

**Adjournment**

Chairwoman Johnson adjourned the meeting at 8:00 p.m.

  
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Chairwoman of the Board,  
Tracey A. Johnson

10-17-2019  
Date

Attested by:

  
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Clerk to the Board Ashley Stallings