

KERR-TAR REGIONAL COUNCIL OF GOVERNMENTS

Executive Committee May 25, 2017

Members Present

John Alston
Jimmy Clayton
Zelodis Jay
Joe Shearon
Danny Wright

Quon Bridges
Henry Daniel
Linda Jordon
David Smith

COG Staff:

Diane Cox
Mark Warren
Donna Lee
Gina Parham

Others:

Jim Wrenn – Attorney

Call to Order

Vice Chairman Bridges called the meeting to order and asked members to keep Mr. Richardson and his mother in your prayers.

Loan Presentation

Mark Warren greeted members and explained he had come out of retirement to work with the COG on some projects and also oversees the loan program. He gave a brief overview of the loan programs available at the COG. Mark stated he had two microloans to be presented tonight and hoped to have several RLF loans coming soon.

During the loan review process he explained it is a detailed time consuming process to assist the applicants. Lots of analysis is completed on each, turn down letter received from bank, credit reports are checked, etc. But members were reminded the COG is a 'lender of last resort'. Both of the loans being reviewed tonight have been reviewed and recommended for approval by the Loan Review Committee.

Summary of first loan – Cutting Edge Lawn Care. Owners Chris and Amanda Pegram are requesting \$10,000 from the microloan fund to be used to purchase:

- PTO Spreader
- Core Plugger
- Bed Shaper
- Cultivator
- Dump Trailer

They have been in business for 9 years and currently have a 3 year lawn maintenance contract with Warren County School System. They provide lawn maintenance, seeding, fertilizing, aerating, landscape design, mulch, etc., to customers of Lake Gaston and surrounding counties.

Loan Review Committee recommended approval of \$10,000 with a term of 36 months at 3.96% interest rate. Also have attorney prepare a UCC on all new equipment and current equipment and a personal guarantee will be presented by both owners.

Members asked if there were any EDA requirements on the microloan funds and were informed there were no requirements and the COG has approximately \$68,000 in this fund to loan currently.

Cutting Edge Lawn Care

Motion # 1

Motion was made by Danny Wright to accept the recommendation as presented and approve with the attorney's final review. Zelodis Jay seconded the motion and it carried unanimously.

Summary of second loan – Crocker's Hauling, Inc.

Michael Crocker is a dump truck driver with Bonavita Excavating who requests funds to start up his own start-up business. He has requested \$25,000 to purchase a dump truck and pay for associated start-up costs for hauling permits/taxes, etc. Mr. Crocker is an experienced driver and a diesel mechanic with over 8 years experience and fixed assets in mechanic tools. He has an excellent credit score of 754 and collateral sufficient for the loan. Banks are not loaning for many start-up businesses so he turned to the COG.

Diane did disclose that the Mr. Crocker is the nephew of a COG staff member.

The Loan Review Committee recommends approval of a loan in the amount of \$25,000 for 60 months at 3.96%. They also recommended the applicant present the COG attorney a purchase inspection of truck, clean truck title, proof of insurance and a UCC on all mechanic tools.

Crocker's Hauling

Motion # 2

Motion was made by Zelodis Jay to approve the recommendation to hold the assessment rate at 59 cents per capita if State and Federal funding remains the same. Jimmy Clayton seconded the motion. The motion carried unanimously.

Budget Presentation FY 2017/2017

Diane began with an overview of the draft budget for 2017/2018:

- COLA salary increase of 2% for all staff members and a 1% increase in the 401K matching contribution.
- Personnel changes with recommended budget include a new Part Time temporary Transportation Planner
- Fringe Benefits rate recommended is 34.4395% and includes FICA, group insurance, retirement, 401K contributions, unemployment and retiree benefits.
- The Indirect Cost Rate recommended for FY 2017/201 is approximately 41.5939% for Administrative Indirect and 15.4368% for Programmatic Indirect.
- Member dues remained the same at 59 cents per capita for FY 2017/2018. Per capita amounts are calculated based upon Census figures released in March, 2011.

- Fund Balance proposed to balance the FY 2017/2018 budget is zero.

Ms. Cox also stated she planned to keep Mark Warren on under contract for special projects and the loan program. She also noted a \$25,000 decrease in insurance cost for staff and retirees. This is due to changing over to the NC State Health Plan. She also noted the recommendation to not continue the contract with William Hoyle's office for financial oversight. She recommended an additional increase for the Finance Manager and believes current finance staff has the ability to perform all duties.

Ms. Cox reviewed program budgets in detail with the Executive Committee and highlighted items in each program. She also answered questions from the Executive Committee. The total proposed budget is \$2,732,376 without the pass-thru funding

Budget 17/18

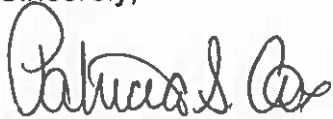
Motion # 3

Motion was made by Zelodis Jay to present to Board for their 30 day review and approval at June meeting. Linda Jordon seconded the motion and the motion carried unanimously.

Members inquired about the current Fund Balance and Diane stated as of the June 30th Audit the balance was \$196,314 and it is currently approximately \$288,517 at end of April, 2017.

There being no further business, the meeting adjourned.

Sincerely,



Patricia S. Cox, Executive Director
Secretary to the Board of Directors

Minutes
KERR-TAR REGIONAL COUNCIL OF GOVERNMENTS
Kerr-Tar COG Office
May 25, 2017

Members Present

John Alston
Mike Felts for Pete Averette
Quon Bridges
Jimmy Clayton
Carolyn Faines
Zelodis Jay
Kenneth Perry
Jennifer Pierce
David Smith
Archer Wilkins
Danny Wright

Mary Anderson
Wayne Aycock
Francine Chavis
Henry Daniel
Carrol Harris
Linda Jordon
Gary Plummer
Joe Shearon
Connee White
Michael Williford

Absent Members:

Pete Averette
Sidney Dunston
Eddie Ellington
Walter Gardner
Jerry Joyner
Brad Kearney
Jarry Richardson

Junious Debnam
Kevin Easter
Fonzie Flowers
Tommy Hester
Dazale Kearney
Bryan Pfohl
Marsha Strawbridge

COG Staff:

Diane Cox
Donna Lee
Katie Conner
Jillian Hardin
Vincent Gilreath
Mark Warren
Kim Hawkins
Michael Kelly
Ann Stroobant
Gina Parham

Others:

Ken Bowman – Warren County EDC
David Hess – City of Roxboro
Michele Muir – NC Dept of Commerce
Tony Cozart – Granville County
Jim Wrenn – Attorney
Kermit Copley

Invocation

Vice Chairman Bridges asked Board Member, David Smith to provide the invocation prior to the Board Meeting.

all to Order

Vice Chairman Bridges called the meeting to order and welcomed guests. He asked members to pray for Barry Richardson and his mother.

Minutes

Office Chairman asked for the pleasure of the Board in regards to the Minutes of March 23rd meetings that had been previously sent to all members for review.

Minutes

Motion # 1

Danny Wright made a motion to accept the Minutes as written. Archer Wilkins seconded the motion and the motion carried unanimously.

NEW BUSINESS

FINANCE REPORT

Kermit Copley reviewed the Finance Report in detail by Fund and offered to answer any questions.

(INSERT FINANCE REPORT HERE)

KERR-TAR REGIONAL COUNCIL OF GOVERNMENTS

APRIL, 2017

GENERAL FUND - 10	EXPENDITURE		YTD EXPEND	EXPENDITURE BALANCE		REVENUE BUDGET	YTD RECEIVED	ACCOUNTS RECEIVABLE	ASSESSMENTS		TOTAL REVENUES	Gain/(LOSS)
	BUDGET								ALLOCATED	LOCAL MATCH		
KTREDC	\$ 53,000	\$ 35,077	\$ 17,923	\$ 53,000	\$ 29,285	\$ 5,792					\$ 35,077	\$ -
EDA Planning	\$ 105,000	\$ 73,956	\$ 31,044	\$ 63,000	\$ 47,250				\$ 29,582		\$ 76,832	\$ 2,876
Revolving Loan Fund	\$ 25,000	\$ 11,719	\$ 13,281	\$ 25,000	\$ -	\$ 11,719					\$ 11,719	\$ -
Micro Loan Fund	\$ 2,000	\$ 700	\$ 1,300	\$ 2,000	\$ -	\$ 700					\$ 700	\$ -
Rural Transportation	\$ 121,031	\$ 86,158	\$ 34,873	\$ 96,825	\$ 42,078	\$ 26,848			\$ 17,232		\$ 86,158	\$ -
Water Quality	\$ 2,218	\$ 78	\$ 2,140	\$ 2,218	\$ -	\$ 78					\$ 78	\$ -
CFAT	\$ 28,125	\$ 19,991	\$ 8,134	\$ 22,500	\$ 4,482	\$ 11,511			\$ 3,998		\$ 19,991	\$ -
Mobility Manager	\$ 92,455	\$ 65,016	\$ 27,439	\$ 83,200	\$ 57,951	\$ 3,264			\$ 6,502		\$ 67,716	\$ 2,700
Bunn Zoning	\$ 5,000	\$ 6,693	\$ (1,693)	\$ 5,000	\$ 3,509	\$ 3,184					\$ 6,693	\$ -
City of Henderson	\$ 5,000	\$ 1,610	\$ 3,390	\$ 5,000	\$ 2,500	\$ -					\$ 2,500	\$ 890
Franklin Co Bldg Reuse NS	\$ 3,750	\$ 1,645	\$ 2,105	\$ 3,750	\$ 3,750	\$ -					\$ 3,750	\$ 2,105
Franklin Co Bldg Re-use KF	\$ 15,000	\$ 1,260	\$ 13,740	\$ 15,000	\$ -	\$ 1,260					\$ 1,260	\$ -
Vance Co Broadband	\$ 5,000	\$ 1,306	\$ 3,694	\$ 5,000	\$ 1,306	\$ -					\$ 1,306	\$ -
Warrenton Bldg Re-use	\$ 2,500	\$ 2,518	\$ (18)	\$ 2,500	\$ -	\$ 2,518					\$ 2,518	\$ -
Aging - Planning & Admin	\$ 183,116	\$ 139,048	\$ 44,068	\$ 144,859	\$ 101,010	\$ 8,991			\$ 29,047		\$ 139,048	\$ -
Aging - Ombudsman	\$ 117,968	\$ 96,227	\$ 21,741	\$ 106,171	\$ 78,606	\$ 7,999			\$ 9,623		\$ 96,228	\$ -
Aging - Elder Abuse	\$ 4,748	\$ 2,431	\$ 2,317	\$ 4,273	\$ 1,688	\$ 500			\$ 243		\$ 2,431	\$ -
Aging - Evidence Based	\$ 26,174	\$ 16,465	\$ 9,709	\$ 23,557	\$ 12,214	\$ 2,605			\$ 1,647		\$ 16,466	\$ -
Aging - AAA	\$ 48,263	\$ 48,263	\$ -	\$ 48,263	\$ 48,261	\$ 2					\$ 48,263	\$ -
Aging - Medicare SHIP	\$ 7,000	\$ 6,766	\$ 234	\$ 5,500	\$ 5,500	\$ -			\$ 1,353		\$ 6,853	\$ 87
Aging - MIPPA	\$ 16,519	\$ 9,603	\$ 6,916	\$ 16,519	\$ 15,452	\$ -					\$ 15,452	\$ 5,849
Aging - Caregiver	\$ 100,000	\$ 82,090	\$ 17,910	\$ 100,000	\$ 74,612	\$ 8,303					\$ 82,915	\$ 825
Aging - NCDOT Project	\$ 300,000	\$ 281,636	\$ 18,364	\$ 300,000	\$ 234,854	\$ 39,810					\$ 274,664	\$ (6,972)
Aging - LCA	\$ 30,000	\$ 26,428	\$ 3,572	\$ 30,000	\$ 21,099	\$ 5,329					\$ 26,428	\$ -
Aging - Triangle North HC	\$ 5,470	\$ 4,941	\$ 529	\$ 5,470	\$ 5,470	\$ -					\$ 5,470	\$ 529
Aging - Tri. North HC RGP	\$ 2,500	\$ 75	\$ 2,425	\$ 2,500	\$ 2,500	\$ -					\$ 2,500	\$ 2,425
Aging - Senior Games	\$ 7,500	\$ 3,423	\$ 4,077	\$ 7,500	\$ 5,132	\$ -					\$ 5,132	\$ 1,709

WORKFORCE - FUND 13										
WIOA Adult	\$ 528,000	\$ 428,504	\$ 99,496	\$ 528,000	\$ 428,504	\$ -	\$ 428,504	\$ -	\$ 428,504	\$ -
WIOA Youth	\$ 551,000	\$ 212,855	\$ 338,145	\$ 551,000	\$ 212,855	\$ -	\$ 212,855	\$ -	\$ 212,855	\$ -
WIOA Dislocated Worker	\$ 525,000	\$ 385,404	\$ 139,596	\$ 525,000	\$ 385,404	\$ -	\$ 385,404	\$ -	\$ 385,404	\$ -
WIOA NEG OJT	\$ 152,988	\$ 75,633	\$ 77,355	\$ 152,988	\$ 75,633	\$ -	\$ 75,633	\$ -	\$ 75,633	\$ -
WIOA Career Path Impl	\$ 100,400	\$ 3,444	\$ 96,956	\$ 100,400	\$ 3,444	\$ -	\$ 3,444	\$ -	\$ 3,444	\$ -
TOTALS	\$ 1,857,388	\$ 1,105,840	\$ 751,548	\$ 1,857,388	\$ 1,105,840	\$ -	\$ 1,105,840	\$ -	\$ 1,105,840	\$ -
MICRO Loan - FUND 15										
Bank Interest	\$ -	\$ -	\$ -	\$ -	\$ 213	\$ -	\$ 213	\$ -	\$ 213	\$ 213
TOTALS	\$ -	\$ -	\$ -	\$ -	\$ 213	\$ -	\$ 213	\$ -	\$ 213	\$ 213
REVOLVING LOAN - FUND 20										
Fund Transfer	\$ 15,000	\$ -	\$ 15,000	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bank Interest	\$ -	\$ -	\$ -	\$ -	\$ 1,050	\$ -	\$ 1,050	\$ -	\$ 1,050	\$ 1,050
Bank Charges	\$ -	\$ 18	\$ (18)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (18)
Interest on Loans paid	\$ -	\$ -	\$ -	\$ -	\$ 8,032	\$ -	\$ 8,032	\$ -	\$ 8,032	\$ 8,032
TOTALS	\$ 15,000	\$ 18	\$ 14,982	\$ 25,000	\$ 9,082	\$ -	\$ 9,082	\$ -	\$ 9,082	\$ 9,064
REVOLVING LOAN - FUND 21										
GREEN JOBS										
Loans	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ALL TOTALS	\$ 6,563,914	\$ 3,980,339	\$ 2,583,575	\$ 6,450,482	\$ 3,733,304	\$ 195,792	\$ 99,226	\$ 4,028,323	\$ 47,984	\$ 47,984
CASH BALANCES										
				GENERAL FUND						
				\$ 322,527						
				AGING FUND						
				\$ 3,075						
				WIOA FUND						
				\$ 59,350						
				MICRO FUND						
				\$ 23,047						
				REVOLVING LOAN FUND						
				\$ 775,933						
				GREEN JOBS LOAN FUND						
				\$ 5,585						
				TOTALS						
				\$ 1,189,517						
<i>Kermit Kopley</i>										
5/10/2017										

Finance Report
Motion # 2

David Smith made a motion to accept the Finance Report as presented. Michael Williford seconded the motion and the motion carried unanimously.

BUDGET AMENDMENTS

Kermit Copley reviewed Budget Amendments by Fund. Adjustments were made for additional grant funding that was received in the General Fund, Aging and WIOA. He offered to answer any questions as well.

(INSERT BUDGET AMENDMENTS HERE)

**KERR-TAR REGIONAL COUNCIL OF GOVERNMENTS
BUDGET AMENDMENTS
Thursday, May 25, 2017**

FY16-17

FUND 10 - GENERAL FUND

BUDGET AMENDMENT # 19	A/C #	BUDGET	CHANGE	REQUESTED
SEED GRANT FOR SET				
EXPENDITURES	5050			
Printing	341	0	5,000	5,000
		0	5,000	5,000
REVENUES	3475			
SEED GRANT FOR SET	450	0	5,000	5,000
This amendment represents new grant funding.				

FUND 11 - AGING

BUDGET AMENDMENT # 2	A/C #	BUDGET	CHANGE	REQUESTED
AGING - FANS	5850			
EXPENDITURES				
Fans	000	3,050	211	3,261
		3,050	211	3,261
AGING - FANS	3519			
REVENUES	000	3,050	211	3,261
		3,050	211	3,261
This amendment reflects the actual grant allocation for 16-17.				

FUND 13 - WIOA

BUDGET AMENDMENT #4	A/C #	BUDGET	CHANGE	REQUESTED
WIOA - ADULT	6850			
EXPENDITURES				
EDSI	619	<u>528,000</u>	<u>173,339</u>	<u>701,339</u>
		528,000	173,339	701,339
REVENUES	3710			
EDSI	010	<u>528,000</u>	<u>173,339</u>	<u>701,339</u>
		528,000	173,339	701,339
This amendment represents additional grant funding.				

BUDGET AMENDMENT #5	A/C #	BUDGET	CHANGE	REQUESTED
WIOA - DISLOCATED WORKER	6890			
EXPENDITURES				
EDSI	619	<u>525,000</u>	<u>175,070</u>	<u>700,070</u>
		525,000	175,070	700,070
REVENUES	3730			
EDSI	010	<u>525,000</u>	<u>175,070</u>	<u>700,070</u>
		525,000	175,070	700,070
This amendment represents additional grant funding.				

BUDGET AMENDMENT #6	A/C #	BUDGET	CHANGE	REQUESTED
WIOA - NEG-OJT	6895			
EXPENDITURES				
EDSI	619	<u>152,988</u>	<u>4,434</u>	<u>157,422</u>
		152,988	4,434	157,422
REVENUES	3736			
EDSI	010	<u>152,988</u>	<u>4,434</u>	<u>157,422</u>
		152,988	4,434	157,422
This amendment represents additional grant funding.				

Budget Amendments

Motion # 3

Motion was made by Danny Wright to approve the Budget Amendments as presented for report ending April 2017. Joe Shearon seconded the motion. The motion carried unanimously

Audit Contract

Diane Cox advised that she had the Audit Contract with William L. Stark and Company for approval tonight. Last year the Board awarded a 3 year contract with Stark and Company. This contract is for the FY 2016/2017 audit in the amount of \$29,000.

Audit Contract

Motion # 4

Motion was made by Archer Wilkins to approve the Audit Contract as requested. Danny Wright seconded the motion and the motion carried unanimously.

NCACC Insurance Renewals

Diane advised it is time to renew the Insurance policies with NCACC for Liability, Property and Casualty and Workers Comp for FY 2017/2018. The premium increase is \$250 above last year's premium.

Insurance Renewals

Motion # 5

David Smith made a motion to authorize signing the renewals for the upcoming year. Zelodis Jay seconded the motion and the motion carried unanimously.

EXECUTIVE DIRECTOR'S REPORT

Executive Director, Diane Cox highlighted the following in her report to the Board of Directors:

- Region K Senior Games have ended. Kudos were given to Melissa Catlett and the Aging staff for their work on the events this year.
- Elder Abuse Walk will be held on June 15th at Southern Vance High School
- Annual Volunteer Luncheon will be held for Aging Department on June 30th at Henderson Country Club
- Broadband Summit was held April 6th at the Granville County Expo. Sybil Tate from Person County made a presentation at the Summit. Ken Bowman and Diane met with Sybil since that date. Sybil advised it would be best to work with a contractor during the Broadband expansion process. Already researched companies that could assist and we hope to have Joe Fredesso here in June. Local members are encouraged to bring others to this meeting when it is held.

- Received \$5,000 SET Grant that needed to be used by June 30th and these funds will be used to the market the Bike Plan.
- Executive Committee approved two microloans tonight – one was for \$10,000 for a husband/wife lawn care business expansion and the other was to Michael Crocker for \$25,000 on a start-up dump truck business.
- Third CEDS meeting was held yesterday in Oxford at the House of Ribeyes. The CEDS plan is due to EDA by the end of September. Staff plans to present the plan to the Board at the August meeting to review and provide any comments.
- Leo Kelly, Vance County Commissioner will be replacing Terry Garrison (who is now in the General Assembly) on the Workforce Consortium Board.
- USDOL is now prohibiting the one stop operator contract to state “0” dollars in the one-stop operator contract. So this means another “Letter of Intent” bid or RFP must be sent out again and remove the “0” dollar language. A new RFP has been released and will be due in the office by Noon on May 26th
- Program Year 17 Youth Procurement review panel consisted of Serena Westra, Harry Mills, and Floyd Johnson. The panel recommended that all three applicants be funded (EDSI, Vance Granville Community College, and Piedmont Community College) pending availability of funds. Staff has been authorized to negotiate with these and commence contract on July 1, 2017.
- Oxford Career Center, Business Services area has been completed and a Certificate of Occupancy has been obtained. They are going through a process to acquire furniture.
- Receiving CMAQ funds for FFY19 amounting to \$557,658. In FFY18 we had \$547,633 and funds were allocated to City of Oxford Industry Sidewalk Project, Town of Stem Core Sidewalk Project and additional funding to City of Oxford CMAQ project C-5569 for the remaining – not to exceed \$80,000. Also successfully re-allocated funds that were not going to be spent for the canceled Butner to Creedmoor Greenway project C-5610A to the Louisburg North Main Street and Smoketree Way project in the amount of \$270,430. Transportation Alternatives Program funding has been submitted for Warrenton, Roxboro and Macon. There were about 5,000 submittals for these funds from across the state.
- Draft STIP Kerr Tar RPO has 9 projects in excess of \$65,000,000 in the draft STIP. Projects range in and right outside of the region such as Highway 50 and I-85 and East End Connector.

DRAFT BUDGET FOR FY 2017/2018

Diane advised that she had presented the draft budget to the Executive Committee previously this evening and they recommend presenting to the Board for review and approval at the June Board meeting. This budget will be available for review for approximately 30 days at the COG office for public comment. The Public Hearing will be held on June 22 at 7:30PM prior to the next Board Meeting.

Diane had an overview of the draft budget for 2017/2018 in a power point for the Board:

- COLA salary increase of 2% for all staff members and a 1% increase in the 401K matching contribution.
- Budget Federal/State Funds estimated at \$6.2M
- Adding a PT Temporary Planner funded with additional funding from NCDOT
- Decrease in Healthcare cost by approximately \$25,000 for current staff and retirees
- Continuing contract for the RLF and Grant Administrator
- Decrease in Indirect Cost Rate by 8.75%
- Budget Highlights by Program and changes were noted
- Overview of Funding and Projects for FY 17/18 reviewed
- Fund Summary Comparison was provided

- Comparison was also provided by Fund/Program and it was noted these could change once we are notified of full approved budget funds
- Overview of Revenue Sources was provided
- Overview of Expenditures by Program were also provided

Fund balance update – as of June 2016 Audit Fund Balance was \$196,314 and as of April 2017 the approximate Fund Balance was \$288,000

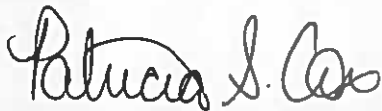
Vice-Chairman commended the COG for the continued increase in Fund Balance.

PUBLIC COMMENT AND ANNOUNCEMENTS

Members had discussion regarding utilization of Workforce Development-Youth and Aging-Caregiver funding. Concerns were expressed that contractors were not fully utilizing the pass-thru funds for those programs.

There being no further business, the meeting adjourned.

Sincerely,



Patricia S. Cox, Executive Director
Secretary to the Board of Directors