

Minutes
Western Piedmont Council of Governments
Bimonthly Policy Board Meeting
Tuesday, May 23, 2023
Old Rock School, Valdese, NC

Members Present

Jill Patton, Chair
Joseph L. Gibbons, Vice-Chair
George Holleman, Treasurer
Larry Chapman, Secretary
Bob Floyd, Past Chair
Cole Setzer, At-Large
Marla Thompson, At-Large
Ronnie Setzer
Ramona Duncan
Joie Fulbright
Jim Green, Alternate
Dennis Anthony
Barbara Pennell
Dr. Caryl Burns
Tracy Townsend, Alternate
Charlotte Williams, Alternate
Ben Honeycutt
Phyllis Pennington, Alternate
Charlie Watts
Rexanna Lowman, Alternate
Amparo R. Alfaro
Helen Chestnut
Malla Vue
Tonia Stephenson
Tommy Luckadoo

Local Government/Agency

Hickory
Lenoir
Taylorsville
Hudson
Town of Cedar Rock
Catawba County
Long View
Cajah's Mountain
Connelly Springs
Conover
Conover
Drexel
Gamewell
Granite Falls
Granite Falls
Hickory
Hildebran
Long View
Valdese
Valdese
Appointed
Appointed
Appointed
Appointed
Appointed

Members Absent

Larry Yoder, At-Large
Randy Burns, At-Large
Josh Lail, Alternate
Kelvin Gregory
Johnnie Carswell, Alternate
Lloyd Robbins, Alternate
Mike Labrose
Robbie Wilkie, Alternate
Donald Robinson
Carroll Yount, Alternate
Barbara Beatty, Alternate
Dale Sherrill
Steve Smart, Alternate

Alexander County
Burke County
Alexander County
Brookford
Burke County
Cajah's Mountain
Caldwell County
Caldwell County
Catawba
Catawba
Catawba County
Claremont
Connelly Springs

Ron Lackey, Alternate	Gamewell
Sheila Perkins	Glen Alpine
Mike Smith, Alternate	Hildebran
Jim Engelman, Alternate	Hudson
Ralph Prestwood, Alternate	Lenoir
Holly Crafton-Lay	Maiden
Ronnie Williams, Alternate	Maiden
Chris Jernigan	Morganton
Ronnie Thompson, Alternate	Morganton
Jerry Hodge	Newton
Beverly Danner, Alternate	Newton
Allen Spencer	Rhodhiss
Kendra Edwards, Alternate	Rhodhiss
Wayne Annas	Rutherford College
Yates Jensen, Alternate	Rutherford College
Bobby Mosteller	Sawmills
Joe Wesson, Alternate	Sawmills
Jack Simms, Alternate	Taylorsville
Erisha Lipford	Appointed
Jeanna Price	Appointed

Guests/Others Present

Randy Feierabend	Cajah's Mountain
Sherry Bradshaw	Drexel
Bonnie Caudle	Gamewell
Scott Hildebran	Lenoir
Seth Eckard	Valdese
Tim Barus	Valdese
Bo Weichel	Valdese
Jessica Lail	Valdese

WPCOG Staff Present

Anthony Starr, Executive Director
Sherry Long, Assistant Executive Director
David Pugh, Director of Administrative Services and Human Resources
Andrea Roper, Director of Finance
Ben Willis, Director of Community and Economic Development
Alison Adams, Director of Community and Regional Planning
Stephanie Hanvey, Director of Regional Housing Authority
Charity Patterson Hamber, Director of Workforce Development
Jason Toney, Communications Manager
Elizabeth Hilliard, Executive Administrative Assistant

Call to Order/Welcome

The regular meeting of the WPCOG Policy Board was called to order at 6:45 pm by Chair Patton. Chair Patton thanked the Town of Valdese for hosting. Mayor Charlie Watts welcomed the Policy Board to Valdese.

Minutes of Previous Meeting

Minutes of the previous meeting were considered. Mr. Joie Fulbright made a motion to approve the minutes from the March 28, 2023 meeting and Ms. Helen Chestnut offered a second. The motion passed unanimously.

Introductions

Introductions were made by everyone in attendance.

Unfinished Business/Reports

There was no unfinished business.

New Business

Workforce Development Board Appointment

Ms. Charity Patterson Hamber, Director of Workforce Development, requested that the Policy Board appoint Dr. Joel Welch, President of Western Piedmont Community College, to meet the Workforce Innovation and Opportunity Act (WIOA) board membership for Adult Education and Literacy, Higher Education or Organizations addressing needs of eligible youth category. This appointment fills a vacant position on the Workforce Development Board.

Staff requested that the Policy Board appoint Dr. Joel Welch to the Workforce Development Board membership for a two-year term ending June 30, 2025.

Mr. Tommy Luckadoo made a motion to appoint Dr. Joel Welch to the Workforce Development Board for a staggered two-year term ending June 30, 2025, and a second was offered by Ms. Helen Chestnut. The motion passed unanimously.

Workforce Development Board Reappointments

Ms. Charity Patterson Hamber, Director of Workforce Development, requested the Policy Board reappoint seven current Workforce Development Board members for another two-year term. The following individuals' terms are expiring June 30, 2023, and are eligible for re-appointment.

- Josh McKinney, Vice President, People's Bank – Catawba County
- Jason Lingle, Director Innovative Energy Solutions, Blue Ridge Energy – Caldwell County
- Felicia Setzer, Northwest Prosperity Zone Regional Operations Director, NC Department of Commerce *(Dual Role) Representative of Employees SEANC - Region
- Dr. Tim Sims, Director of Federal Programs, Hickory City School – Catawba County
- Beth Mills, Unit Manager, Vocational Rehabilitation – Region
- Alan Wood, President & CEO, Burke Development – Burke County
- Dr. Jamie Conrad, Coordinator of Experiential Learning & Outreach, Lenoir Rhyne University – Catawba County

Staff requested that the Policy Board re-appoint the seven current Workforce Development Board members for another two-year term.

Mr. Joseph Gibbons made a motion that the Policy Board re-appoint the seven current Workforce Development Board members for another two-year term ending June 30, 2025, and Mr. Larry Chapman offered a second. The motion passed unanimously.

WPCOG Building Expansion – Architect RFQ Final Recommendation

Mr. David Pugh, Director of Administrative Services and Human Resources, stated per authorization of the Executive Committee at their February 2023 meeting, WPCOG staff has conducted and completed the request for qualifications (RFQ) process to determine a top architect firm for the building expansion capital project. Seven firms responded to the RFQ, with three being chosen to be interviewed by WPCOG staff. Coming out of the interviews, the top firm has been identified as McMillan Pazdan Smith Architecture located in Asheville, NC. State law requires the governing board to select an architect before negotiating an agreement for costs and services.

The RFQ placed a high priority on firms that have performed architect services in the western half of North Carolina for local government building expansions, additions, and renovations. McMillan Pazdan Smith has completed a high volume of this type of work during the previous 5-7 years. Furthermore, McMillan Pazdan Smith especially yielded high marks for the following reasons:

- Participated in previous project involving NC Works, which is a central element to the WPCOG building expansion.
- Previous work and familiarity with COG's.
- Impressive construction administration credentials and staff.
- Extensive understanding of the WPCOG specific needs regarding the building expansion project, including interior space design and functionality as related to WPCOG services.
- Schedule and availability to begin work soon.

Examples of relevant work experience with regards to the WPCOG Region and the building expansion project include:

- Appalachian COG (Greenville, SC): New Office Building Feasibility Study
- City of Hickory: Ridgeview Library Renovation & Addition
**Note: This was a great example of the firm working within a limited budget.*
- City of Hickory: Aviation Museum
- Blue Ridge Community College: Strauss Building Renovation & NCWorks
**Note: This is a great example of the firm's experience performing design and implementation on a government building renovation project that includes an NCWorks component, which is a significant part of the WPCOG building expansion.*

The following information was shared regarding the need for the building expansion:

History and Current Office Status. The current offices of the Western Piedmont Council of Governments were constructed in 2011. At that time, the offices provided significant extra space for the staff. However, the staff has grown in recent years from 45 employees to currently 68 full-time and part-time employees. Three years ago, staff converted the library to a suite for seven cubicle offices to provide

additional capacity for staff. All of those cubicles are full. We also converted a workroom into a two-person office. We currently have three small offices available near the reception area and an extra desk in a copier room. We could create additional space by asking more staff to share offices or eliminating a conference room.

NCWorks Career Centers. Foot traffic at the career centers began decreasing in 2015, well before the Pandemic, and it is expected for that to continue beyond COVID-19. This reduces the justification for operating career centers in every county. With the construction of a regional career center, we could provide a much nicer and more functional career center and lower the costs for the Workforce Development Program. The WPCOG would work with local governments and partners to provide small meeting spaces for those who have travel limitations. A regional career center allows us to provide more outreach services in various communities.

WPCOG pays \$99,732 annually to lease the space at Conover Station (the state reimburses us \$9,255). In addition, the NC Division of Workforce Solutions leases space for the Caldwell and Burke career centers for a total cost of \$116,740 each year. Federal rules require that the state, local workforce boards, and other partners share the cost of the career centers based on a pre-determined formula.

Planning for Expansion. Staff began planning for expansion of the office to accommodate future growth of WPCOG staff and to consolidate the regional NCWorks Career Centers to one location. A previous conceptual plan and cost estimates determined the feasibility of the project and provided the necessary details for the Executive Committee and Policy Board to make informed decisions. The plans provide for about 7,400 square feet of space for WPCOG offices and 9,600 square feet for the regional career center. It also adds 77 additional parking spaces using the land purchased by the WPCOG a few years ago for a total of 185 spaces.

Construction Costs. As of December 2021, estimates for the cost of construction for the entire project at \$4.98 million including a contingency of 20%. The regional career center portion represents about 56% of that cost and the WPCOG office the remaining portion totaling 44%.

Staff requested that the Policy Board approve McMillan Pazdan Smith as the top architect firm for the WPCOG building expansion capital project.

Mr. George Holleman made a motion that the Policy Board approve McMillan Pazdan Smith as the top architect firm for the WPCOG building expansion capital project, and direct staff to negotiate and bring the final contract to the Policy Board at its July 25, 2023 meeting for approval and Mr. Cole Setzer offered a second. The motion passed unanimously.

WPCOG Homelessness Initiative

Mr. Ben Willis, Director of Community and Economic Development presented an update to the policy board on the HOME-ARP Regional Navigator Program. The purpose of this program is to help connect resources to those experiencing homelessness in the four-county region. Please see the Regional Community Navigator Program PowerPoint in the policy board agenda packet for additional information.

No action was requested as this item was for informational purposes only.

Regional Housing Growth Toolkit

Ms. Alison Adams, Director of Community and Regional Planning, stated the Western Piedmont Region, like most regions within the United States, faces a housing shortage. All types of housing are needed. Estimates vary, but studies consistently show a nationwide shortage of at least several million homes given new household formation rates. People with lower and extremely low incomes are at serious risk of housing instability. Many spend more than half their income on housing costs. Demographic trends of new-forming households needing smaller “starter” homes compete with older residents looking to downsize. Attracting new workers to the region also requires an adequate housing supply.

Our economy must provide both jobs and housing for people of all skills. The median home sales price in the region rose from approximately \$120,000 in 2013 to more than \$250,000 in 2023. Median rent is up 10% year-over-year statewide. Regional targets call for between 1% and 2% population growth per year for a healthy economy. Nearly half (48%) of housing in the Hickory MSA was built before 1980 – the highest percentage of all MSAs in the state.

The Housing Growth Toolkit focuses on optimizing zoning and development regulations and procedures to enable new and diverse types of housing production by allowing a mix of dense housing types with quicker and predictable development reviews. More housing choice and density in the market equals better value for taxpayers and more efficient use of tax dollars.

The Housing Growth Toolkit focuses on ten practices for enabling housing production:

1. Allow more housing types across districts.
2. Reduce minimum lot sizes.
3. Reduce setback requirements.
4. Revise street frontage requirements.
5. Reduce parking minimums.
6. Enable unique PUD projects.
7. Allow accessory dwelling units.
8. Shift reviews to staff.
9. Reduce street width requirements.
10. Consider incentives for density/design.

We are optimistic that local governments within our region will implement these suggested strategies to help stimulate housing growth. The planning staff is happy to present to local governments upon request.

Please see the Western Piedmont Western Piedmont Housing Growth Toolkit in the policy board agenda packet for additional information.

Staff recommended that the Policy Board review and consider approval of the document. Staff also suggests the Policy Board recommend local governments to consider the strategies of the Housing Growth Toolkit.

Ms. Tonia Stephenson made a motion that the Policy Board approve the Housing Growth Toolkit and recommend that local governing boards review and consider implementing its strategies and Mr. Joie Fulbright offered a second. The motion passed unanimously.

Utility Allowance Changes for the Section 8 Housing Program

Ms. Stephanie Hanvey, Director of Regional Housing Authority, stated a Regional Housing Authority (RHA) established utility allowance schedule is used in determining family share and Public Housing Authority (PHA) subsidy. The RHA must maintain a utility allowance schedule for:

1. All tenant-paid utilities
2. The cost of tenant-supplied refrigerators and ranges and
3. Other tenant-paid housing services such as trash collection.

The utility allowance schedule must be based on the typical cost of utilities and services paid by energy-conservative households that occupy housing of similar size and type in the same locality. In developing the schedule, the RHA must use normal patterns of consumption for the community as a whole and current utility rates.

The utility allowance must include the utilities and services that are necessary in the locality to provide housing that complies with housing quality standards. Costs for telephone, cable/satellite television, and internet services are not included in the utility allowance schedule.

The RHA must review its schedule of utility allowances each year and must revise the schedule if there has been a change of 10 percent or more in any utility rate since the last time the allowances for that utility was revised.

The RHA must maintain information supporting its annual review of utility allowance and any revisions made in its utility allowance schedule. In January 2023, the RHA released Request for Proposals for the Utility Allowance Study. Once again, David Simms & Associates Consulting Engineers was awarded the bid for five years. The first-year review has been completed and we need to change most of our utility rates. HUD has also added several new categories. Staff would like to make this change in utility allowances effective July 1, 2023.

Copies of the current (2022) Section 8 Utility Allowances for apartments, single family housing and mobile homes and the updated (2023) single family, duplex, garden apartment, low-rise apartment, high-rise apartment, and mobile homes information were included in the policy board agenda packet.

Staff requested that the Policy Board approve the Section 8 Utility Allowance changes.

Mr. Larry Chapman made a motion that the Policy Board approve the Section 8 Utility Allowance Changes and Mr. George Holleman offered a second. The motion passed unanimously.

6th Amendment of the FY 2022-23 Budget

Mr. Andrea Roper, Director of Finance, stated the 6th Amendment of the FY2022-23 budget reflects a total budget of \$25,216,899 and an operating budget of \$9,162,224 which represents a decrease of the total budget from the March 28, 2023, budget adoption of \$10,328.

The 6th Amendment of the 2022-2023 Budget includes:

- Increase of \$16,333 in Community Development due to the addition of several new housing grants.

- Community and Regional Planning decreased due to project work moving to FY24.
- Economic Development decreased due to the increase in Community Development project work and to better reflect expected expenditures.
- An increase in Aging due to additional family caregiver funding.
- Chargeable salaries decreased and compensated absences increased due to personnel changes and to better reflect planned staff absences.
- Longevity, retirement, and group insurance decreased due to personnel changes.
- Printing increased due to expected contractual overage charges for the remainder of the fiscal year.
- Advertising/subscription increased due to needed software licenses for the planning department.
- Capital Outlay-Equipment increased to cover the code enforcement vehicle expenditure.
- Increase in contingency due to new project work that is expected to be spent by fiscal year end.
- Decrease in compensated absence liability due to the increase in fringe compensated absence expenses.
- Capital Reserve Fund increased to reflect the increase in the fund balance from FY22.

Staff requested that the Policy Board review and approve the Sixth Amendment of the 2022-2023 Budget.

Mr. George Holleman made a motion that the Policy Board approve the Sixth Amendment of the 2022-2023 Budget as proposed and Mr. Bob Floyd offered a second. The motion passed unanimously.

2nd Reading of the FY 2023-24 Budget

Mr. Anthony Starr, Executive Director, stated the 2nd Reading of the FY2023-24 budget reflects a total budget of \$26,115,851 and an operating budget of \$10,013,538 which represents an increase of the total budget from the March 28, 2023, budget amendment of approximately 0.7% or \$185,031. The total budget includes \$1 million for the previously adopted capital project ordinance for the WPCOG office expansion.

Some key parts of the budget are uncertain at this time and that is normal for the second reading. The 2nd Reading of the FY2023-24 Budget includes:

- 75 full and part-time staff positions. This total includes eight new positions: 4-community navigators, homelessness program manager, community and economic development administrator, code enforcement officer, and transportation technician position.
- WPCOG dues rate increased by \$.042 per capita plus dues increases for the MPO as approved by the Board in January.
- Financial administration services for two local governments and one local non-profit.
- Town planning services for 10 local governments.
- Long range planning services for 6 local governments.
- Code enforcement services for 13 local governments.
- Administration of several new community & economic development projects (building reuse, homelessness outreach, infrastructure, economic development, etc.).
- GASB 87 – Indirect leases reflect the future value of lease payments funded with indirect funds.
- The budget includes a 2% cost of living adjustment (with a minimum \$1,000 increase) for all staff in July and an average merit increase of 3.75% effective in January 2024. An increase to the 401k

retirement contribution rate of 1% is also included as a number of local governments are considering such increases to retain employees.

- A group insurance increase (\$8,693) reflecting a projected health insurance increase of 2% from the first reading, totaling 11% from FY23 amounts.
- The decrease in contractual is attributed to the reduction in planning projects due to the utilization of funds in FY23.
- Capital outlay decreased \$15,543. The Community and Economic Development Department received a grant to purchase an electric vehicle charging station to install at the COG. The Planning Department expects to purchase GIS equipment.
- Contingency decreased \$47,005 due to the allocation of funds to needed areas.
- The compensated absence liability increased due to the OPEB (Other Post Employment Benefit) Trust expected to be fully funded in FY23. This allocation may increase with the availability of funds. Funding the compensated absences liability improves the net position of the WPCOG.
- Aging Special Revenue Funds increased due to actual allocation amounts from the State.
- Decrease in the Burke River Trail Project Special Revenue Fund due to the completion of work in FY23.
- Anticipate establishing a special revenue fund for the FY23 portion of \$4.5 million appropriation from the state for capital improvements associated with the Caldwell Rail Project. The budget does not yet include these funds.
- The proposed budget includes approximately \$325,203 in anticipated contracts for FY23. This amount is \$203,701 higher than the FY22 anticipated contracts amount at this time last year. The unfunded areas at this point are within the Community & Economic Development Department and the Planning Department.
- The fund balance allocated increased \$17,713 due to higher ARC, EDA & Aging match amounts.
- The Capital Reserve Fund increased \$63,705 due to an increase in the allocated fund balance and an increase in the transfer amount from the general fund.

Staff requested that the Policy Board hold the required public hearing, receive any public comments, and adopt the attached budget ordinance.

Mr. Joseph Gibbons made a motion that the Policy Board open the public hearing and a second was offered by Ms. Marla Thompson. The motion passed unanimously.

There was no public input.

Ms. Marla Thompson made a motion that the Policy Board close the public hearing and a second was offered by Mr. Cole Setzer. The motion passed unanimously.

Mr. Bob Floyd made a motion that the Policy Board adopt the budget ordinance and FY 2023-24 Budget as presented and Mr. Joseph Gibbons offered a second. The motion passed unanimously.

Other Business

Executive Director's and Staff Reports

Mr. Anthony Starr, Executive Director, reviewed the Executive Director's Report providing details and current operations of the WPCOG and issues that may be of interest to board members.

Administration

- Alexander County appointed a new county manager, Shane Fox.
- Ms. Sherry Long, Assistant Executive Director, continues to provide technical assistance to all local governments regarding the administration of funds from the American Rescue Plan Act (ARPA).
- We began offering a referral bonus of \$600 to staff who successfully recruit and recommend people for WPCOG vacant positions.

Community and Economic Development

- The City of Newton has received an Appalachian Regional Commission (ARC) award of \$300,000 to aid in their downtown streetscape initiative, while the City of Hickory has been awarded a \$1 million ARC grant to construct an access road to support an industrial project on Fairgrove Church Road.
- CVCC received two ARC Grant awards. The first award, totaling \$300,000, has been allocated to the MSC II program to increase staffing capacity. The second award, amounting to \$531,000, will contribute to the establishment of a new aviation training facility at the Hickory Airport. We are expecting more ARC award announcements in the upcoming weeks. Staff wrote and/or assisted with each of these projects.
- Staff wrote or assisted on eight (8) Rural Transformation Grant applications for the region. This is the final round of this program with approximately \$8 million available. Grant awards will be announced on June 13, 2023.

Community and Regional Planning

- Applied and created a budget for GoldenLEAF Foundation grant for flood mitigation opportunities on behalf of Hudson and Drexel to repair stormwater issues existing that affecting multiple properties.
- Catawba and Burke County's digital inclusion plans are slated for adoption in June.
- Staff are working through Caldwell County EDC's needs to provide an industrial site feasibility study. The contract is in process and the project is slated for completion by October 1, 2023.
- Town of Hildebran Council adopted the Comprehensive Land Use Plan.

Regional Housing Authority

- The RHA has received 30 guaranteed Emergency Housing Vouchers (EHVs) to house individuals and families who are 1) homeless, 2) at risk of homelessness, 3) fleeing, or attempting to flee domestic violence, dating violence, sexual assault, stalking, or human trafficking or 4) recently homeless. The RHA was given the opportunity to ask for more and we requested a total of 200 EHV vouchers. To date, no more have been awarded. The RHA is working closely with the Continuum of Care and the shelter homes in our four-county area to maximize the use of these vouchers. The effective date for these vouchers was July 2021. The RHA has 29 of the EHV's leased. The RHA has 22 other applications or vouchers pending that are going through the eligibility process. Applications continue to be received.

- The RHA has approximately 2,300 families on its regular housing choice voucher waiting list. Our Emergency Housing Program Vouchers and our VASH Program Vouchers will continue to accept referrals from specific agencies.

Mr. Anthony Starr, Executive Director, shared the following staff updates:

- Congressman Patrick McHenry will be at the WPCOG on Friday, June 2, 2023, at 1:15 pm for a grant check presentation to the WPCOG for the EDA grant awarded in February.
- Great COG Legislative Day.
- \$5 million has been requested from the state for the WPCOG building expansion. Budget conference to be held in June.

Next Meeting

The next Policy Board meeting is scheduled for July 25, 2023 and will be hosted by the Town of Granite Falls.

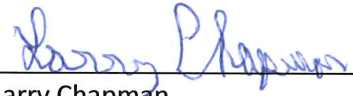
Adjournment

Chair Patton adjourned the meeting at 7:34 pm.

Respectfully submitted,



Jill Patton
Chair



Larry Chapman
Secretary