

**PERSON COUNTY BOARD OF COMMISSIONERS**  
**MEMBERS PRESENT**

**FEBRUARY 3, 2014**  
**OTHERS PRESENT**

Jimmy B. Clayton  
Kyle W. Puryear  
B. Ray Jeffers  
Frances P. Blalock  
David Newell, Sr.

Heidi York, County Manager  
C. Ronald Aycock, County Attorney  
Brenda B. Reaves, Clerk to the Board

The Board of Commissioners for the County of Person, North Carolina, met in recessed session on Monday, February 3, 2014 at 6:00 pm at the Person County Recycling Center located on 741 Martin Street, Roxboro for the purpose of a tour. Chairman Clayton, Vice Chairman Jeffers and Commissioners Blalock and Newell were present. Commissioner Puryear was absent.

The group toured the current leased facility for the Person County Recycling Center. County Manager, Heidi York stated the purpose of the tour was for the Board to view the condition of the facility prior to Board's consideration of options related to the recycling program's facility lease renewal and/or property acquisition. Assistant County Manager, Sybil Tate presented a handout prepared by Person County Inspection Director, Sam Hobgood noting the code requirements to continue use of the building with the minimum upgrades related to life safety issues, building repair issues, as well as updates needed to the electrical and HVAC outlining the estimated costs of \$248,490 which included a 10% contingency. General Services Director, Ray Foushee gave the group some background on the facility noting it was built in early 70's and used for many years by Irvin Industries.

Existing location – Wagstaff warehouse

- A) Life Safety Issues - \$86,900
  - 1) Exit door will need to be added
  - 2) Install emergency exit and egress lighting
  - 3) Install smoke detection/fire alarm
  - 4) Install proper grab bars in office restrooms
  - 5) Repair undermined drive and retaining wall
  - 6) Add sensors & motor operators for overhead doors. (\*Not required, but is considered a safety issue\*)
  
- B) Building Issues - \$81,000
  - 1) Repair roof leaks
  - 2) Patch or replace building insulation
  - 3) Replace or repair any decayed fascia boards. If no decay is present, paint boards for protection.
  - 4) Patch/repair all wall panels where damage has occurred.
  - 5) Reconnect all downspouts

- C) Electrical - \$10,000
  - 1) Label all panels and circuits.
  - 2) Some receptacles in the office area do not work; needs repair.
  - 3) Wiring above the office area needs attention. Conductors are exposed and damage to the conductors are visible. Note: the type of wiring used in this location should not be exposed. I would assume this wiring was not done by a licensed electrician. It does not meet the intent of the National Electrical Code.
  - 4) Any abandoned circuits no longer “in use” should be removed.
  
- D) HVAC - \$48,000
  - 1) Heating/Air units in the office area are in need of repair. The systems appear to not function as intended.
  - 2) The ductwork connected to these units has tears or damage. Replace or repair the ductwork.
  - 3) Install heat in the warehouse bathrooms.

Required Upgrades - \$248,490 (includes 10% contingency).

Ms. York stated the appraisal obtained by the county for existing recycling location (Wagstaff warehouse) was \$850,000 and the appraisal obtained by Wagstaff was \$925,000.

A **motion** was made by Commissioner Blalock, and **carried 5-0** to adjourn the meeting at 6:25 pm.

\*\*\*\*\*

The Board of Commissioners for the County of Person, North Carolina, met in regular session on Monday, February 3, 2014 at 7:00 pm in the Commissioners’ meeting room in the Person County Office Building. All commissioners were present at 7:00 pm.

Chairman Clayton called the meeting to order and led the invocation. Chairman Clayton asked Boy Scout, Caleb Tingen along with Scout Master, Ron Johnson of Troop 249 present in the audience to lead the Pledge of Allegiance.

**DISCUSSION/ADJUSTMENT/APPROVAL OF AGENDA:**

Chairman Clayton announced that Recognitions should be removed from the agenda.

A **motion** was made by Chairman Clayton and **carried 5-0** to approve the agenda as adjusted.

**PUBLIC HEARING:**

**REQUEST TO AMEND THE ZONING ORDINANCE APPENDIX C (TABLE OF PERMITTED USES) TO DELETE REAL ESTATE AGENCIES AS A PRINCIPAL USE:**

A **motion** was made by Vice Chairman Jeffers and **carried 5-0** to open the duly advertised public hearing for a request to amend the Zoning Ordinance Appendix C (Table of Permitted Uses) to delete Real Estate Agencies as a Principal Use.

City and County Planning Director, Aaron Holland stated Person County received a request by Alan Hicks to amend the Planning Ordinance, Appendix C, Table of Permitted Uses to delete Real Estate Agencies as a Classification from the Table of Permitted Uses.

Mr. Holland noted the reason for the request is that there is no discernible difference between a real estate agency and any other professional office. Professional Office is already listed as a permitted use in the Table of Permitted Uses. Mr. Holland stated should “Real Estate Office” be deleted as proposed, it would be considered as a Professional Office. Professional Office is defined as “offices of accountants, appraisers, architects, attorneys, financial consultants, dentists, physicians and similarly recognized professionals.” Mr. Holland noted the state defines professional offices as a state licensed office.

Mr. Holland stated his research of nearby jurisdictions resulted in the City of Roxboro, Orange County, Mebane, and Rockingham County have included real estate agencies within the professional office definition in their respective ordinances.

Commissioner Puryear asked Mr. Holland why this issue is being brought up. Mr. Holland noted an applicant in December requested rezoning of a residential property for a real estate office which would have made the property zoned for commercial. Mr. Holland further noted the neighbors were upset about the request to rezone to commercial as it would allow all commercial uses. To narrow the potential uses to just real estate offices only, Mr. Holland explained the text amendment was a simpler solution. Mr. Holland stated this text amendment would allow the applicant to go before the Board of Adjustment for conditional use.

Mr. Holland stated the Planning Board held a Public Hearing on January 9, 2014 and voted 5 to 0 to recommend approval of the amendment request.

There were no individuals present to speak in favor of or in opposition to the request to amend the Zoning Ordinance Appendix C (Table of Permitted Uses) to delete Real Estate Agencies as a Principal Use.

A **motion** was made by Vice Chairman Jeffers and **carried 5-0** to close the public hearing for a request to amend the Zoning Ordinance Appendix C (Table of Permitted Uses) to delete Real Estate Agencies as a Principal Use.

**CONSIDERATION TO GRANT OR DENY REQUEST TO AMEND THE ZONING ORDINANCE APPENDIX C (TABLE OF PERMITTED USES) TO DELETE REAL ESTATE AGENCIES AS A PRINCIPAL USE:**

A **motion** was made by Commissioner Blalock and **carried 5-0** to approve the request to amend the Zoning Ordinance Appendix C (Table of Permitted Uses) to delete Real Estate Agencies as a Principal Use.

**PUBLIC HEARING:**

**REQUEST TO AMEND THE ZONING ORDINANCE APPENDIX B, DEFINITION SECTION, PROFESSIONAL OFFICE TO INCLUDE A REAL ESTATE AGENCY:**

A **motion** was made by Vice Chairman Jeffers and **carried 5-0** to open the duly advertised public hearing for a request to amend the Zoning Ordinance Appendix B, Definition Section, Professional Office to include a Real Estate Agency.

City and County Planning Director, Aaron Holland stated Person County received a request by Alan Hicks to amend the definition of Professional Office to include a Real Estate Office noting the current definition reads: “Offices of accountants, appraisers, architects, attorneys, financial consultants, dentists, physicians and similarly recognized professionals.” Mr. Holland stated the new proposed definition would be to include Real Estate Agency and it would now read as follows “Offices of accountants, appraisers, architects, attorneys, financial consultants, dentists, physicians, real estate agencies and similarly recognized professionals.”

Mr. Holland noted a Professional Office is a use by right in B-1, B-2 and RC districts. A Conditional Use Permit is required in Residential District and a Special Use Permit in the Industrial District.

Mr. Holland explained the City of Roxboro defines a Professional Office as “ Any building or portion thereof, used for or intended to be used only as an office for a surveyor, architect, engineer, land surveyor, real estate broker, contractor, accountant, physician, surgeon, chiropractor, orthodontist, physical therapist, insurance agent, and other similar professions.” A Conditional Use Permit is required in Residential Districts.

Mr. Holland stated staff recommends approval of the request.

Mr. Holland stated the Planning Board held a Public Hearing on January 9, 2014 and voted 5 to 0 to include a Real Estate Agency in the Definition of Professional Offices in Appendix B, Definitions, in the Zoning Ordinance.

There were no individuals present to speak in favor of or in opposition to the request to amend the Zoning Ordinance Appendix B, Definition Section, Professional Office to include a Real Estate Agency.

A **motion** was made by Vice Chairman Jeffers and **carried 5-0** to close the public hearing for a request to amend the Zoning Ordinance Appendix B, Definition Section, Professional Office to include a Real Estate Agency.

**CONSIDERATION TO GRANT OR DENY REQUEST TO AMEND THE ZONING ORDINANCE APPENDIX B, DEFINITION SECTION, PROFESSIONAL OFFICE TO INCLUDE A REAL ESTATE AGENCY:**

A **motion** was made by Vice Chairman Jeffers and **carried 5-0** to approve the request to amend the Zoning Ordinance Appendix B, Definition Section, Professional Office to include a Real Estate Agency.

**INFORMAL COMMENTS:**

There were no comments from the public.

**DISCUSSION/ADJUSTMENT/APPROVAL OF CONSENT AGENDA:**

A **motion** was made by Vice Chairman Jeffers and **carried 5-0** to approve the Consent Agenda with the following items:

- A. Approval of Minutes of January 6, 2014
- B. Budget Amendment #10
- C. CDBG Monthly Reporting for the month of January 2014
- D. Tax Releases for the month of January 2014
- E. January 2014 NC Vehicle Tax System pending refunds
- F. Report of Unpaid Taxes
- G. Advertisement of Unpaid Real Estate Taxes

**UNFINISHED BUSINESS:**

**FOLLOW-UP DISCUSSION OF THE SELF-FUNDED INSURANCE OPTION:**

County Manager, Heidi York stated Mr. Bryan Bickley of Scott Benefit Services presented an overview of self-funded insurance at the November 18, 2013 Board meeting. As the insurance enrollment period is forthcoming, Ms. York stated staff wanted to provide some projected impacts of the fully-insured and self-funded options for further consideration.

Ms. York requested the Board to receive the following presentation and direct staff on whether to continue exploring the self-funded insurance option for Person County Government as it is time to renew insurance for July 1 or go out for bids from the market.

## Person County

### What is a self-funded or self-insured plan?

A self-funded plan is one in which the employer assumes the financial risk for providing healthcare benefits to its employees. In practical terms, self-insured employers pay for claims out-of-pocket as they are presented instead of paying a pre-determined premium to an insurance carrier for a fully insured plan.

### How does self-funding work?

A Third Party Administrator (TPA) administers the plan. Responsibilities include maintaining eligibility, adjudicating and paying claims, Utilization Management, Case Management, coordination of physician and hospital networks, HIPAA administration, Summary Plan Description (SPD) preparation and Customer Service.

Claims cost can vary from month to month. Because of this, most employers that self-fund carry Stop Loss insurance to manage risk.

### What is Stop-Loss?

Stop Loss is designed to limit the employer's loss so that large or unanticipated claims do not upset the financial integrity of the plan. Employer may choose the amount of risk to retain and the amount to be covered under stop loss protection. There are two types of coverage:

- **Specific Coverage:** Insures the employer against a catastrophic loss incurred by one individual over a certain dollar limit.
- **Aggregate Coverage:** Insures the employer against unusually high overall claim levels for the entire covered group, due to high frequency or an unexpected number of large, catastrophic claims.

### What are the benefits of self-funding?

- Cash Flow Benefit (employer does not have to pre-pay for coverage)
- Flexibility in Benefit Plan Design (plan can be customized to meet needs of workforce)
- State Mandated Benefits Avoided (self-funded plans are subject to ERISA)
- Escape the health insurance industry fee under PPACA (cost will run 2% to 2.5% of premiums in 2014)
- Tax Savings (no premium tax for the self-funded claim fund)
- Lower Cost of Operation (administrative costs lower and profit margin and risk charge eliminated for bulk of the plan)
- Effective Claim Management (can implement unique programs to keep costs down)
- Self funded plans are not tied to community rating.

Embrace **Risk. Reward** Performance.



Event	Fully Insured	Self Funded
Trend, Premium Tax, low retention, Risk Charge, etc		- 5%
2010-2013 Pricing Impact	+4.15 %	+4.15 %
2014 Transitional Reinsurance Fee (for three years)	1.6 %	1.6 %
2014 Health Insurance Industry Fee	+3.0 % * (estimated)	NA
<b>Total Advantage:</b>		<b>- 8.0%</b>
<b>Ripple Affect - Change in Underwriting Methodology:</b> - Health Factors - No Pre-X - More emphasis on pooling	<b>Better performing may pay more (pricing impact still unknown)</b>	<b>????</b>

Embrace **Risk. Reward** Performance.



### Funding Strategy – Employer Size (2013)

	Self Insured Plans	Minimum Premium Plans	Full Insured Plans
<b>0-49 Employees</b>	16.7%	0.0%	83.3%
<b>50-199 Employees</b>	35.0%	12.0%	53.0%
<b>200-499 Employees</b>	50.0%	15.0%	35.0%
<b>500-999 Employees</b>	100.0%	0.0%	0.0%
<b>1000+ Employees</b>	88.9%	0.0%	11.1%

Note: Minimum Premium plans pay their own claims similar to self-insurance but also have limited insurance coverage to guarantee a maximum claim liability (105-125% of expected claims).

### **“In Between” Self-Funded and Fully Insured**

- Carriers offer “level funding” or minimum premium
  - Opportunity to return portion of premium for good performance
- Person County agreement with Coventry – Gain Share Agreement
  - If Person County loss ratio is better than 86% - Coventry returns 100% of excess
    - Not to exceed 10% of premium
    - Must renew with Coventry second year
    - Payments of commission and ACA fees excluded from calculation

Ms. York noted the county has not had a loss ratio less than 100% during her tenure. Mr. Bickley stated 24 months of claims history is optimal and Coventry is currently in their sixth month with Person County providing claims data on a monthly basis.



Commissioner Blalock asked about aggregate coverage. Mr. Bickley noted 1) Coventry would pay claims/adjudicate claims, 2) contract with the physicians to provide the network access and provide insurance data for the stop loss ratio with options. Another option for consideration is the Med Home contract option where a fee is charged for service payment with protocols and outcomes measured to which provides options for decision making by the employee and if the county performs better, the savings is lower costs for the county. Mr. Bickley explained the county would budget based on the data analysis and if the performance was better than projected, the county would build up a reserve for the years that performance was not up to the budgeted amount.

Mr. Bickley estimated a 61% discount if the County went with Coventry as compared to a 51% discount with BCBS and a 40-something discount with MedCost.

Mr. Bickley noted Person County's average age of employee is 38 years old.

Ms. York stated the next step would be to bring both options for a comparison to the Board.

#### **CHAIRMAN'S REPORT:**

Chairman Clayton reported the County, the City and Senior Center staff are actively looking for a temporary space to operate the senior center programs during the time the City of Roxboro vacates the current facility for needed repairs.

#### **MANAGER'S REPORT:**

County Manager, Heidi York made the Board aware of an email she sent to the group summarizing the status of the City of Roxboro Board of Adjustment appeal related to the proposed Recreation/Senior Center noting a decision from the Judge is expected next week.

Ms. York announced a joint session meeting for the Board of Commissioners/Economic Development Commission on February 24, 2014 at 8:00 am in the Board's usual board room. This joint session will be held prior to the Board's regular scheduled meeting at 9:00 am.

Ms. York also announced a joint session meeting for the Board of Commissioners/Board of Education on March 24, 2014 at 6:00 pm for the purpose to County to receive the Fiscal Year 2014-15 budget request from Person County Schools.

## **COMMISSIONER REPORT/COMMENTS:**

Commissioner Newell had no report.

Commissioner Blalock requested Board consideration for her to be excused at the Board's March 17, 2014 meeting at 10:00 am due to a prior commitment in Hickory, NC.

Commissioner Puryear advocated for better communication between the Board of Commissioners and the Economic Development Commission referring to \$20,000 funds spent on a fiber optic study related to fiber cable in public buildings (estimated cost between \$3-\$4 million) when the Board of Commissioners had not deemed a priority. Chairman Clayton stated this would be a good topic of discussion at the upcoming joint meeting with the Economic Development Commission. Commissioner Newell asked the County Attorney if the Board of Commissioners were responsible for action by the Economic Development Commission or the non-profit Person County Business Industrial Center. County Attorney, Ron Aycock clarified the Board of Commissioners have appointment authority on the Economic Development Commission, to which those appointed members served as officers on the non-profit. Mr. Aycock stated the non-profit is the agent appropriating funding, not the Economic Development Commission and the Board of Commissioners is not responsible for those actions.

Vice Chairman Jeffers reported the following:

- Attended a Healthy Personians meeting,
- Participated in a GEAR UP Advisory meeting related to a grant for college readiness for students at Person High School and Northern Middle School,
- As the commissioner representative, attended Person County Partnership for Children's (PCPFC) retreat noting he would be requesting Board consideration for an education allocation for PCPFC for the Imagination Library that services all children 0-5 in the County, and
- Stated his desire for Board consideration for funding a second fire house within a community for needed equipment.

## **CLOSED SESSIONS:**

### **Closed Session #1:**

A **motion** was made by Commissioner Blalock and **carried 5-0** to enter into Closed Session per General Statute 143-318.11(a)(5) to consider the acquisition or lease of real property at 7:52 pm with the following individuals permitted to attend: County Manager, Heidi York, Clerk to the Board, Brenda Reaves, County Attorney, Ron Aycock, Assistant County Manager, Sybil Tate, General Services Director, Ray Foushee, Person Industries Director, Wanda Rogers and Person Industries Assistant Director, Becky Clayton.

A **motion** was made by Vice Chairman Jeffers and **carried 5-0** to return to open session at 8:17 pm.

### **Closed Session #2:**

A **motion** was made by Commissioner Newell, and **carried 5-0** to enter into Closed Session per General Statute 143-318.11(a)(5) to consider the acquisition or lease of real property at 8:18 pm with the following individuals permitted to attend: County Manager, Heidi York, Clerk to the Board, Brenda Reaves, County Attorney, Ron Aycock, Assistant County Manager, Sybil Tate, General Services Director, Ray Foushee, and IT Director, Gary Latta.

A **motion** was made by Vice Chairman Jeffers and **carried 5-0** to return to open session at 8:38 pm.

**RECESS:**

A **motion** was made by Vice Chairman Jeffers and **carried 5-0** to recess the meeting at 8:38 pm until 8:00 am on February 24, 2014 for a joint session meeting with the Economic Development Commission in the Board's meeting room.

---

Brenda B. Reaves  
Clerk to the Board

---

Jimmy B. Clayton  
Chairman