

WAKE COUNTY BOARD OF COMMISSIONERS

[Publish Date]

Regular Meeting
[Time]
Room 700, Wake County Courthouse

Meeting Called to Order: Vice Chair Lindy Brown

Members present were: Lindy Brown, Vice Chair (Acting Chair), Joe Bryan, Paul Coble, Tony Gurley, Stan Norwalk, Betty Lou Ward.

Member absent: Harold H. Webb, Chair

Others attending were: David Cooke, County Manager, Scott Warren, County Attorney, Joe Durham, Deputy Manager, Johnna Rogers, Deputy Manager, Denise Hogan, Deputy Clerk and Susan J. Banks, Clerk to the Board.

Pledge of Allegiance

Invocation: Commissioner Stan Norwalk

Items of Business

Approval of Agenda

Commissioner Coble asked to delay item 11, Establishment of Sustainability Task Force, on the agenda for a future meeting. Commissioner Norwalk asked to remove Item 6 (Increase to Register of Deeds Department's FY 2010 Budgetary Appropriation) and Item 7 (Tax Committee Recommendations for Value Adjustments, Late Filed Applications, Collections Refunds and Tax Collections) from the consent agenda for discussion purposes. Commissioner Gurley asked to remove Item 3 (Annual Agreement for Wake County Human Services Department to Provide Reimbursement Behavioral Services as an In-Network Provider with Blue Cross Blue Shield NC) from the consent agenda for discussion purposes.

Betty Lou Ward motioned, seconded by Paul Coble, to approve the agenda with the removal of the item "Establishment of Sustainability Task Force" and moving consent items (3) Agreement with Blue Cross Blue Shield, (6) Increase to Register of Deeds Budget, and (7) Tax Committee recommendations for Value Adjustments, Late Filed Applications, Collections Refunds and Tax Collections to the regular agenda.

The motion passed unanimously.

Approval of the Minutes of the Commissioners' Meeting of September 21, 2009

Betty Lou Ward motioned, seconded by Stan Norwalk, to approve the minutes of the Commissioners' meeting of September 21, 2009.

The motion passed unanimously.

Consent Agenda

Paul Coble motioned, seconded by Tony Gurley, to approve items 4 and 5 on the consent agenda. (Items 3, 6, and 7 were moved to the regular agenda for discussion and consideration.)

The motion passed unanimously.

Include the Family Medical Leave Act in the Wake County Personnel Ordinance

Paul Coble motioned, seconded by Tony Gurley, to include the Family Medical Leave Act in the Wake County Personnel Ordinance.

The motion passed unanimously.

Family and Medical Leave – FMLA

It shall be the policy of Wake County to grant Family and Medical Leave in accordance with the Family Medical Leave Act (FMLA), federal regulations. This leave shall be granted to eligible employees who meet the leave criteria and have completed the required documentation. This leave will run concurrently with other Wake County leave (sick, holiday, annual, workers' compensation, and leave without pay), as appropriate.

Appropriate \$175,000 from the NC Department of Health and Human Services for H1N1 Planning and Surveillance

Paul Coble motioned, seconded by Tony Gurley, to accept and appropriate \$175,000 in one time spending from the North Carolina Department of Health and Human Services for H1N1 planning and surveillance and approves the corresponding budget revision.

The motion passed unanimously.

Regular Agenda

Annual Agreement for Wake County Human Services Department to Provide Reimbursable Behavioral Services as an In-Network Provider with Blue Cross Blue Shield NC

Commissioner Gurley said he removed this item from the consent agenda because he wanted additional information. Mr. Bob Sorrels, Wake County Human Services Department, explained that with the Mental Health Reform there is a creation of the Local Management Entity to broker where services are provided either in a network of contractors or with internal services. The provider is determined during an initial assessment of the patient. The services, such as adult services, psychiatric services, and pharmaceuticals, that are provided internally may be billed and are eligible for payment from Blue Cross Blue Shield Insurance (BCBS) for patients with BCBS insurance. An estimate of \$35,000 to \$50,000 in enhanced revenues could be billed and collected. Commissioner Gurley supported looking for private providers first and providing the services internally where private providers cannot provide the services. He said the contract states Wake County Human Services as a preferred provider of behavioral services, pharmaceuticals, other doctor's visits, and other services but the contract is not limited behavioral services. Mr. Sorrell's said this contract is similar to the public health services contract that was presented and approved a few months ago. He suspected the contract was a template contract with similar services as public health. Commissioner Gurley said if the intention is to provide behavioral services he would offer a motion to approve the suggested action with the provision that if the revenues generated are over \$50,000 in the first year, then contract be brought back to the Board for reconsideration. Commissioner Coble stated the county does not need to be in competition with private providers and questioned how the county should price the services so as not to be in competition. Commissioner Gurley said BCBS sets a fee so that is not a competition but he wanted to encourage the case manager to send these clients to private providers initially versus the county providing the services. Mr. Sorrels said that these services have typically already been looked into for being referred to private providers and have had to come back to the County's Human Services Department as the provider. Commissioner Gurley said mental health services are sometimes difficult to acquire. Commissioner Coble said the county should be the last choice for the services. Commissioner Norwalk stated the needs of the clients determine the demand for the county to supply medications. Mr. Sorrels said the county has been a pharmaceutical provider for years. Commissioner Norwalk said he would support this action but he may need to be convinced that there is a real reason for the county to be providing pharmaceuticals.

Tony Gurley motioned, seconded by Paul Coble, to approve the agreement with Blue Cross/Blue Shield NC, and authorize the County Manager to execute a contract on behalf of Wake County Human Services for these services with a provision that if Wake County receives funds in excess of \$50,000 due to this contract, the Board of Commissioners will be notified and this contract will be brought back to the Board of Commissioners.

The motion passed unanimously.

Increase to Register of Deeds Department's FY 2010 Budgetary Appropriation

Commissioner Norwalk asked when the automation upgrades will be completed, the number of employees required for implementation and operation of the system and the space requirements for the system. Mr. Cooke said that redaction of records is a new requirement by the State of North Carolina and a couple of other projects that are geared towards the productivity of the Register of Deeds. Mr. Warren said the law allows the Register of Deeds to use the fees for their operations. Commissioner Norwalk requested Mr. Cooke provide him with the answers to his questions as a follow up on this item.

Paul Coble motioned, seconded by Joe Bryan, to appropriate a \$300,000 increase to the Register of Deeds Department's FY 2010 Budgetary Appropriation with the understanding that information requested by Commissioner Norwalk be provided to the Board of Commissioners.

The motion passed unanimously.

Tax Committee Recommendations for Value Adjustments, Late Filed Applications, Collections Refunds and Tax Collections

Commissioner Norwalk asked about the large amounts in the tax relief reports and the legislation governing these reliefs. Mr. Marcus Kinrade, Revenue Director, said the authority (General Statute 105-277) is for use values for farming, horticulture or has a plan to harvest trees. The taxes are deferred on these properties and then later the property taxes are rolled back if they sale the property. Commissioner Gurley clarified that the value listed is the amount deferred and not the property value. Mr. Kinrade said the taxes are billed at the full tax rate and the property owner must apply for the tax relief.

Betty Lou Ward motioned, seconded by Stan Norwalk, to approve the following Tax Committee Recommendations for Value Adjustments, Late Filed Applications, Collections Refunds and Tax Collections.

The motion passed unanimously.

TAX REPORT

1. Report of Collections – Wake County Only – August 2009
2. Wake County In-Rem Foreclosure Progress Report – August 2009
3. Consideration of Requests for Exemptions-Late Filed Applications: (Wake County and Town of Apex), (Wake County and Town of Cary), (Wake County and City of Raleigh)
4. Consideration of Refund for Taxes, Interest, and Penalties: (Wake County Only), (Wake County and Town of Apex), (Wake County and Town of Cary), (Wake County and Town of Fuquay Varina), (Wake County and Town of Garner), (Wake County and Town of Holly Springs), (Wake County and Town of Morrisville), (Wake County and City of Raleigh), (Wake County and Town of Wake Forest)
5. Consideration of Requests for Adjustments, Rebates, and/or Refunds of Penalties: (Wake County and Town of Cary), (Wake County and Town of Garner), (Wake County and Town of Morrisville), (Wake County and City of Raleigh), (Wake County and Town of Zebulon)
6. Request for Tax Relief-Late Filed Applications: (Wake County and Town of Cary), (Wake County and Town of Fuquay Varina), (Wake County and Town of Garner), (Wake County and Town of Holly Springs), (Wake County and Town of Knightdale), (Wake County and City of Raleigh), (Wake County and Town of Rolesville), (Wake County and Town of Wake Forest), (Wake County and Town of Zebulon)
7. Rebate Details: (Wake County and Town of Apex), (Wake County and Town of Cary), (Wake County and Town of Fuquay Varina), (Wake County and Town of Garner), (Wake County and Town of Holly Springs), (Wake County and Town of Knightdale), (Wake County and Town of Morrisville), (Wake County and City of Raleigh), (Wake County and Town of Rolesville), (Wake County and Town of Wake Forest), (Wake County and Town of Wendell), (Wake County and Town of Zebulon)

License Agreement with Emmanuel Baptist Church on the Wake County Home Cemetery

Mr. Dave Goodwin, Director of Wake County General Services, presented the request for approval of a license agreement with Emmanuel Baptist Church on the Wake County Home Cemetery and the need for a memorial for the cemetery at the old county home. Mr. Goodwin said during the years of 1915 to 1979 Wake County operated a home, on Whitaker Mill Road, for the aged, mentally ill and sometimes the underprivileged. During that time period, when residents passed away, they were buried on the property in unmarked graves. There is

currently one broken marker on the property. He explained that Mr. Tommy Goldsmith, News and Observer Reporter, ran a series of articles about this property and the lack of markers at the cemetery which helped generate local interest in the cemetery. Mr. Goodwin recognized Ms. Ann Wilson and Van Lawrence as interested parties in this matter. Representatives from Emmanuel Baptist Church present were Pastor Eddie Johnson and Deacons Don Osborne and Oscar Elmore. Mr. Mike Aull and Ms. Karen Allen, local library historian has done a tremendous work on researching the records. Ms. Allen and volunteers went through 91,000 death records in an attempt to identify the residents buried in the graves. Once the church was built in the 1950s, they maintained the property. The church is adjacent to the property and the cemetery is a triangular shaped property.

Mr. Goodwin said citizens' input was encouraged and other stakeholders as well as the church have been involved. The focus was on the broken headstone. The memorial being recommended is a couple of benches and granite monument. The monument shall read: "IN LOVING MEMORY OF THOSE WAKE COUNTY RESIDENTS LAID TO REST NEAR THIS LOCATION FROM 1915 TO 1976". He asked for the board's agreement to a license for the church's use of the property which also allows the church to maintain the property as they have for the last forty years.

Betty Lou Ward motioned, seconded by Paul Coble, to approve the execution of a license agreement with Emmanuel Baptist Church for maintenance of the property and use of a portion of County-owned property for parking purposes, subject to terms and conditions acceptable to the County Attorney; and further, authorize the County Manager to execute the license on behalf of Wake County.

Commissioner Bryan suggested as a friendly amendment to the motion to add the specific language to be on the monument as: "IN LOVING MEMORY OF THOSE WAKE COUNTY RESIDENTS LAID TO REST NEAR THIS LOCATION FROM 1915 TO 1976".

Betty Lou Ward motioned, seconded by Paul Coble, to approve the execution of a license agreement with Emmanuel Baptist Church for maintenance of the property and use of a portion of County-owned property for parking purposes, subject to terms and conditions acceptable to the County Attorney; and further, authorize the County Manager to execute the license on behalf of Wake County. The Monument will read: "IN LOVING MEMORY OF THOSE WAKE COUNTY RESIDENTS LAID TO REST NEAR THIS LOCATION FROM 1915 TO 1976".

The motion passed unanimously.

Implementation of Plan to Develop a Landfill Gas Utilization Project at the South Wake Landfill

Mr. Tommy Esqueda, Environmental Services Director, stated a request to implement a plan to develop a landfill gas utilization project at the South Wake Landfill. He stated on September 14th the initial findings of a study was presented to the Board of Commissioners during a work session. The five items proposed for board action were as follows:

1. Authorize staff to initiate planning, design, permitting and bidding of a gas collection system and gas flare station for the Feltonville Landfill and South Wake Landfill;
2. Authorize staff to investigate the sale of greenhouse gas credits to the appropriate voluntary carbon market through the combustion of landfill gas;
3. Authorize staff to initiate a request for proposal process for third-party, private sector interests, to plan, permit, design, build and operate onsite power generation facilities and/or offsite direct use facilities;
4. Authorize staff to initiate the development of contract instruments for onsite power generation, offsite direct use, and greenhouse gas credits;
5. Authorize staff to initiate planning, design and permitting for the purposes of installing a landfill gas pipeline along NCDOT right-of-way from the SWLF to the Novartis site.

Mr. Esqueda shared the landfill gas recovery projections for the South Wake Landfill in Apex, stating that initially the gas would be utilized by Novartis and the energy could be supplemented with power generation capacity. When power is dropped off, they would rotate engines. The gas has to be captured and combusted in order to meet Title V permitting requirements and over control. Revenues can be generated through greenhouse gas credits. Another option is to clean the gas and make it available for power energy. Discussions have been had with Progress Energy. They have a market rate of 7 cents per kilowatt hour, 6 cents for the green power, and 1 cent for renewal energy credits they would receive.

Another option is transmission main would be located offsite for direct use energy for power, heating and air conditioning. There is interest in the landfill gas from Novartis which is located three miles from the landfill and Veridia which is located north of the landfill. The study included a financial analysis on twelve project scenarios including two for Greenhouse Gas (GHG), five for onsite Power Generation and five for offsite direct-use. Two additional options in the study were high-BTU Project (injection into natural gas network) and compressed natural gas. Mr. Esqueda reported that the study identified a primary location and two alternate locations for power generation at the landfill. Progress Energy has issued an open request for proposals for renewable energy. Progress Energy's preliminary pricing for electricity is

\$0.06/kWh and the premium for renewable energy credits (RECs) add up to \$0.01/kWh. In offsite direct-use options, Novartis has a demand for 2,000 to 3,000-cfm of LFG for boiler fuel and has provided peak and off-peak energy demands. Staff has reviewed pricing schedules for industrial customers from the local gas distribution company (PSNC). Novartis also has a need for space cooling which could be gas-fired chillers. There may be other users in the future for the excess gas. Staff has identified pipeline routes from the landfill to Novartis and working on permitting and right-of-way requirements.

Mr. Esqueda presented a financial analysis stating use of all the gas would return about \$64 million for a direct use pipeline for power generation over a thirty-year period. The electrical generation project could return \$17.1 million revenue if the county develops the project and if the third party does it, it would generate \$5.7 million in revenue to the county. The direct use project could generate \$26.0 million if the county develops the project versus \$500,000 if a third party develops the project and pays the county a royalty. The county staff would like to get a request for proposal out to see what is submitted. Johnston County is doing a request for proposals on their landfill also for generation on site. Durham County just began operating power generation on their landfill site.

Mr. Esqueda said staff has estimated the landfill gas production which exceeds Novartis demand and determined that direct-use scenarios are more financially attractive than power generation scenarios. He also stated they need to fully reconcile the third party numbers to include tax incentives and tax credits which have not been taken into account on this first round of financial scenarios. They should be better than what is currently estimated.

Mr. Esqueda stated any contract written for a third party contractor would address the priority of health and safety of the citizens and all permitting requirements. There would also be flexibility for other uses of the gas in the contract. They will approach this project with a priority to minimize the county's risk for odor and permitting concerns and exposure to gas market volatility.

Staff proposed \$2 million for LFG project in the 2010 CIP for:

- Design and bid for wells/blower/flare station which is a regulatory requirement
- Further investigation of Greenhouse Gas sale process
- Distribute a RFP seeking proposals for power production on-site, direct use with pipeline to Novartis and direct use assuming a county funded pipeline to Novartis
- Develop contract for gas sale
- Pursue permitting for pipeline to Novartis

- Amend the final report to include landfill gas demands for Veridia

Commissioner Norwalk asked if the methane gas would be charged by BTU and the value is based on natural gas. Mr. Esqueda said that was correct. Commissioner Norwalk said the risk is low because of the variety of the expenditures which are cancelled out because of the variety of the revenues from this project. He said the real risk is that what the government permits it can take away. He said the county should look for a fast payback on this project. He said multiple secured customers should be a goal. He would support a fast payback on this project.

Commissioner Bryan said the proposed items should come back to this board because this is a very complex proposal. Mr. Esqueda said he would return with an updated financial analysis with "real" numbers. Commissioner Bryan said by going through this process it should help determine the best proposal for the county. Mr. Esqueda said he would return with a recommendation after more fully developing the proposals from the county developing and operating the project versus a third party accepting all the risks in developing and operating the project. Commissioner Norwalk said he needs to be prepared to answer what percentage of the revenues are based on the BTUs value of the gas and what is based on government incentives. Commissioner Gurley agreed with Commissioner Norwalk on the statement that what government gives, government can take away. He asked about the timing of this project since it has been studied for over a year. He asked this plan fits with the potential users schedules and if this process maintain the ability for all the private parties to still be included. Mr. Esqueda said this plan does allow for all parties to still be included and all the options available to the county. Commissioner Gurley stated that this project has to benefit the citizens of Wake County and to reduce the risk to Wake County. Commissioner Coble expressed concern that there may be a belief that the county can do this project better than a private entity. He said he did not see cost calculations in today's materials for the operation of the business. He asked how much will it cost to create a government business in order to compete with private business. He said that his understanding is that the board is endorsing staff going out and getting a plan of action.

Joe Bryan motioned, seconded by Betty Lou Ward, to approve the staff recommended implementation plan to develop a landfill gas utilization project at the South Wake Landfill with the following actions:

1. Authorize staff to initiate planning, design, permitting and bidding of a gas collection system and gas flare station for the Feltonville Landfill and South Wake Landfill;

2. Authorize staff to investigate the sale of greenhouse gas credits to the appropriate voluntary carbon market through the combustion of landfill gas;
3. Authorize staff to initiate a request for proposal process for third-party, private sector interests, to plan, permit, design, build and operate onsite power generation facilities and/or offsite direct use facilities;
4. Authorize staff to initiate the development of contract instruments for onsite power generation, offsite direct use, and greenhouse gas credits;
5. Authorize staff to initiate planning, design and permitting for the purposes of installing a landfill gas pipeline along NCDOT right-of-way from the SWLF to the Novartis site; and
6. All of the previous five items be brought back to the Board of Commissioners for final approval.

Commissioner Coble asked Commissioner Bryan if he would accept a friendly amendment to the motion stating that #2 read “authorize the staff to investigate the method of sale of greenhouse gas.....” He stated the reasoning for this amendment is to determine if the project would be private or county generated.

Joe Bryan motioned, seconded by Betty Lou Ward, to approve the staff recommended implementation plan to develop a landfill gas utilization project at the South Wake Landfill with the following actions:

1. Authorize staff to initiate planning, design, permitting and bidding of a gas collection system and gas flare station for the Feltonville Landfill and South Wake Landfill;
2. Authorize staff to investigate the method of sale of greenhouse gas credits to the appropriate voluntary carbon market through the combustion of landfill gas;
3. Authorize staff to initiate a request for proposal process for third-party, private sector interests, to plan, permit, design, build and operate onsite power generation facilities and/or offsite direct use facilities; 4. Authorize staff to initiate the development of contract instruments for onsite power generation, offsite direct use, and greenhouse gas credits;
5. Authorize staff to initiate planning, design and permitting for the purposes of installing a landfill gas pipeline along NCDOT right-of-way from the SWLF to the Novartis site;
6. And all of the previous five items be brought back to the Board of Commissioners for final approval.

The motion passed unanimously.

Public Comments:

Mr. Frank Eagles, Mayor of Rolesville, said the information he reported to the Board of Commissioners at the last meeting was reported to the Board of Education. He was not present at that meeting but Betty Parker commented that the property had 10 acres of wetland and was surrounded by floodplain. He presented copies of a map of the property showing the nearest floodplain which was some 3,000 feet from the property. It was also said that it would be a problem for access due to the Rolesville bypass but the Rolesville bypass touches this property with an easement in two places. He said the property was misrepresented. He stated as Ms. Parker is supposed to be the expert she should have known about this property. Mr. Bill White is the realtor that represents Neuse Baptist Church, the property owner. Mr. White wanted to inform the board that adjoining parcels are also available. Mr. Eagles said he understood the schools needed 50 acres for a high school but have now changed it to 60 acres. He also offered his prayers for Chairman Webb.

Commissioner Gurley said he wanted to clarify that the county staff is at the meetings of the school board but is not allowed in the closed sessions where property purchases are actually discussed.

Acting Chair Brown asked the County Manager for clarification on the statements about staff's role in school property discussions. Mr. Cooke reported that staff does attend Board of Education meetings but they are not in the closed sessions when property is discussed. He stated that because county staff is in attendance does not indicate that the county staff is always in concurrence with the school staff or Board of Education. He has offered to personally attend their closed session meetings so the county could actively participate in the selection of school sites but they apparently felt this was not a good idea. He also stated that Deputy Manager Johnna Rogers is participating in a group that is looking at alternative sites other than the Forestville Road site. They are re-evaluating why the other sites did not work originally. A decision will ultimately need to be made on whether to proceed with the Forestville Road site with the rock with more clearly defined cost of transportation systems with a determination of legitimate reasons the other sites did not work or choose from the alternate sites. Mr. Cooke said the site does have some flood prone soils on its perimeter but it does not have wetlands and is not in a floodplain. Commissioner Norwalk asked if school staff is on the team reviewing this site. Mr. Cooke stated school staff is on this team as well as representatives from the NC Department of Transportation, City of Raleigh and the Town of Rolesville.

Mr. Eagles said the Town of Rolesville is involved and is only 3 miles from this school site but he is interested in saving tax dollars in the capital improvement program.

Mr. Kenneth Goddard, from Raleigh, served on the Wake County Human Services Board for 11 years, and has a mental health diagnosis. He spoke on a consumer run and consumer staffed center. He said consumers believe they have something to offer. He said he was going to speak to the LME Administrator, Dr. Paul Johnson. He said on October 6th he and his wife will be celebrating his 19th wedding anniversary. His wife has served as his case manager in the mental health system, and he serves as her case manager.

Create a Spay/Neuter Voucher Program

Mr. Tommy Esqueda stated the commissioners attended the groundbreaking of the expansion of the animal shelter on September 9th, 2009. This request is intended to help reduce the utilization of the shelter by addressing the unplanned and unwanted animals in the community. The program would charge a \$50 voucher for the spay/neuter program. This is the same fee as the adoption voucher fee. The spay/neuter voucher would be redeemable at non-profit veterinarians. They are already providing a discount cost for the spay/neuter program at \$75 to \$100. The normal rate in the market is anywhere from \$200 to \$400 depending on the animals. The vouchers are targeted towards people who have litters of kittens or puppies on a regular basis. Anyone can buy a voucher but have to apply for the voucher. Mr. Esqueda said they are partnering with a veterinarian who has a mobile clinic that can go out into the areas and perform the surgeries in closer proximity to where the animals are located. Commissioner Ward stated her support for the program. Commissioner Bryan asked if this would generate more sterilizations or would this subsidize what is already done. Mr. Esqueda said this would be new sterilizations. Commissioner Bryan asked how many sterilizations the county should target in the long term, regardless of the \$18,000 budget limitation. Mr. Esqueda said that some northeast studies of population and animals show estimates for \$250,000 but he is not supportive of that target at this time. He suggested targeting the individuals that bring animals in on a repetitive basis.

Commissioner Coble asked if program could end up providing this discounted service to professionals that raise animals. Mr. Esqueda stated there is an application process for the voucher program. The objective is to make the program available to people who bring litters of puppies in two to three times per year. The goal is to lower the litter counts that are coming into the shelter.

Commissioner Coble said they may want to set some parameters for people who participate in the program so people will not be able to take advantage of the service. Mr. Esqueda said there are programs that do this service for low income citizens for less than the county's voucher program.

Betty Lou Ward motioned, seconded by Stan Norwalk, to approve the launch of a spay/neuter voucher program to reduce pet overpopulation in Wake County.

The motion passed unanimously.

Establishment of a Sustainability Task Force

This item was removed from the agenda during approval of the agenda.

Sale of County Owned Surplus Property Located at 736 Jones Dairy Road, Wake Forest, NC

Ms. Annemarie Maiorano, Affordable Housing Program Manager, said that on September 21, 2009, the Board of Commissioners proposed to accept an offer in the amount of \$50,000 for the purchase of 736 Jones Dairy Road and directed staff to advertise the offer for upset bids in accordance with NC General Statute 160A-269. The house belonged to a Housing Rehabilitation Loan client. Housing and Community Revitalization repaired the home in 1997, and the client was able to remain in the house independently until he passed away. After the client passed away, the heirs of the property did not express interest in taking ownership or maintaining the property. The house was foreclosed on and no further offers have been accepted in the upset bid process.

Betty Lou Ward motioned, seconded by Tony Gurley, to accept the offer of \$50,000 for the sale of property located at 736 Jones Dairy Road (Wake County Tax ID# 0035288) and to authorize the County Manager to execute an offer to purchase and contract for sale of 736 Jones Dairy Road subject to terms and conditions acceptable to the County Attorney.

The motion passed unanimously.

Selection of a Third Party Pharmacy Benefits Manager to Administer and Manage the County's Pharmacy Benefit Plan

Ms. Elaine Johnson, Director of Human Resources, said that CIGNA currently provides pharmacy benefits for employees. It has been determined that significant cost savings may be achieved, while still maintaining the current prescription drug benefit, by carving out the pharmacy drug portion of the plan to a third party Pharmacy Benefits Manager (PBM). She explained that the drug costs are approximately 26% of Wake County's overall medical claims costs. She said the goal is to provide quality benefits while achieving cost savings for both the county and employees. Broadening formulary drugs and providing options for filling maintenance drugs is part of the PBM. Drug reporting will help identify gaps of care and also assist in aligning the wellness program with diseases that have the highest impact. RFP's were done and proposals were received from several vendors. Each proposal was evaluated and ranked based on RFP requirements, customer service, added value, and cost savings.

Walgreens was chosen because employees would be able to fill their 90 Day Maintenance Drugs at Walgreen retail locations. There was an offer of a 3-year rate guarantee. Estimated employer cost savings would be \$371,000.

****insert chart of cost savings page 152 of agenda

Commissioner Gurley asked to be excused from voting since he has his own pharmacies with contracts with Walgreens and his wife is a pharmacist for Walgreens. He will be opening a store in Wake County in December that will be using this same service. He said that the reports from a benefit manager will be better than getting them directly from an insurance company. There will be savings for the county and employees over a half million dollars a year.

Commissioner Norwalk said that he uses pharmacy benefits with a corporate employer. He congratulated staff for working local pharmacy benefits. He is not happy with mail order pharmacy benefits.

Commissioner Bryan congratulated Commissioner Gurley for his research on low cost benefits 2 years ago. He also congratulated staff for their work.

Betty Lou Ward motioned, seconded by Paul Coble, to excuse Commissioner Tony Gurley from voting on this item.

The motion to excuse Commissioner Tony Gurley from voting on this item was unanimously approved.

Joe Bryan motioned, seconded by Betty Lou Ward, to separate out the county's pharmacy benefit plan from CIGNA to Walgreens for the benefit year starting January 1, 2010, and authorizes the County Manager to negotiate a three-year contract with Walgreens to administer the County's Pharmacy Benefit Plan subject to approval by the County Attorney.

The motion to separate out the county's pharmacy benefit plan from CIGNA to Walgreens for the benefit year starting January 1, 2010, and authorizes the County Manager to negotiate a three-year contract with Walgreens to administer the County's Pharmacy Benefit Plan subject to approval by the County Attorney was unanimously approved.

Health, Dental and Vision Plan Design and Rate Structure Changes for Plan Year 2010

Ms Elaine Johnson, Human Resources Director, said that Wake County has indentified cost savings that will allow the current employee health and dental insurance premiums to be maintained without impacting current service. She said that there were three large claimants for 2009 verses six claimants for 2008. The 2009 Health Reimbursement Account (HRA) utilization is lower in 2009 (87.5% spend in 2008 verses 80% spend in 2009). Medical Claim costs are trending at 6%. This is better than CIGNA's book of business trending around 9%. She said that emergency room visits were considerably higher than normal based on peer data. She said that some visits were non emergency treatments when alternative treatment is available. The recommended plan design allows to add \$100 emergency room co-pay. This co-pay would be waived/reimbursed for services provided that are medically deemed as an emergency by the attending physician or if the individual is hospitalized. The recommendation is that there be no increase to employee share of premium. There is sufficient funds included in the FY10 budget.

Ms. Johnson said that there are no recommended increases to employee share of dental premiums. She reported that this is the last year for the contract. The county has increased its cost of the dental premium to cover increased cost. The savings from Life insurance renewal of \$212,000 will be applied to cover the increased cost of the county share.

Ms. Johnson said that the vision plan is a non-employer plan offered to employees. VSP has been selected as the vendor with a two year rate guarantee renewal. It is being recommended to increase the frame and contact lens care allowance from \$125 to \$130 and renew the contract with a two year rate guarantee. Ms. Johnson said that there is enough funds available to cover the cost increases without increasing the employee premiums.

Ms. Johnson gave the following overview of the financial summary in insurance benefits for 2010:

*insert chart page 157 of agenda package

Commissioner Coble asked about the 17% increase in vision coverage for the second year and asked what would happen if the county didn't accept the increase. Ms. Johnson said that originally when the plan began the county was quoted the wrong price for coverage. The consultant said that VSP had to honor this price to the county. There is not a requirement to accept the second year at the higher premium, but prices in premiums can be shopped for in a year. Ms. Johnson explained that if the county didn't commit to a two-year contract that the premium would increase 26.7%.

Commissioner Norwalk said that employees should be educated on coverage. Ms. Johnson said that open enrollment educated employees on coverage and VSP has a good customer service. Commissioner Norwalk congratulated Ms. Johnson on the presentation and for working on keeping premiums low for employees.

Commissioner Gurley asked why employees have a higher than normal emergency room use. He asked about the savings by adding the co-pay. Ms. Johnson said that \$100 sometimes will deter non-emergency visits. A communication plan will be done during open enrollment for employees. She said there will be meet the manager sessions, articles in Insights, and mailing employees information about urgent care centers and the 24 hour hotline with CIGNA are ways to help educate employees.

Commissioner Ward said that she has used the vision plan and it paid half the cost of her care.

Stan Norwalk motioned, seconded by Paul Coble, to approve the proposed benefit insurance rates and plan design changes for the benefit year starting January 1, 2010.

The motion passed unanimously.

Discussion of Purchasing Office Space at 410 S. Salisbury Street

Mr. Dave Goodwin stated that Commissioner Ward had asked a discussion of the County acquiring or using the building at 410 S. Salisbury Street. He said the property has 60,000 square feet with 30,000 square feet of office space that is currently vacant. There is also a 2 level, 55 space deck being offered for purchase. Currently, no funding has been identified for this building.

He stated that the property owner approached the County in August about the purchase. Since that time, the State of North Carolina has officially transferred the responsibility of accommodating the Probation and Parole offices to the County per G.S. 15-209, a mid-year, unfunded State mandate. The sale of the building was offered as a solution to the Probation and Parole space. Probation and Parole is currently leasing 15,679 square feet of office space at three locations: West Garner Drive (3,200SF); Industrial Drive (7,307SF); New Hope Road (5,172SF).

Mr. Goodwin indicated that the County has four options to assume this proposed space needed:

1. Move Probation and Parole into existing County office space.

2. Leave the Probation and Parole offices where they are now and have the County pay the State Department of Corrections for the current lease under current terms.
3. Inform the State to break the current leases and the County renegotiates a term through 2013-14 with the existing property owners.
4. Inform the State to break the current lease agreement and the County explores alternative leased space options to move Probation and Parole through 2013-14.

The probation and Parole space presents a short-term space need for the County through 2013-14. The County will accommodate the Probation and Parole space at this time in the existing Courthouse. Courthouse space will be available when current occupants move to the Justice Center. The County already pays for the Caratlantic building that has 21,000 square feet.

Commissioner Ward indicated that the seller is interested in the sale of the property. The property is close to the current county buildings. She said as the county continues to grow this would be a good opportunity for future expansion.

Commissioner Gurley asked about the cost of all unfunded state mandates. He said that the public should be aware that State Government implements mandates in a lot of cases after the County passes their budget.

Mr. Cooke said Wake County has had the responsibility before the mandate to house probation and parole. Mr. Cooke indicated that space should be purchased where it is needed. Renegotiating current leases and using them as leverage may be the best option. Mr. Cooke said he recommended meeting the space needs that the County currently has that does not include the purchase of this building.

Wake County Commission for Women

Commissioner Coble nominated Ms. Beth Dehghan representing the District 2 vacancy. He nominated Ms. Jacqueline Brown, Ms. Tammy Martin, and Ms. Lindsey Dougherty for At-Large vacancies.

Wake County Fire Commission

Commissioner Coble nominated Chief Tony Mauldin; Regular Member South Region, Chief Cecil Parker; Alternate Member South Region, Chief David Cates; Regular Member West Region, Chief Mark Haraway; Alternate Member West Region, Chief Alfred Lynn; Regular Member North Region, and Chief A.C. Rich; Alternate Member North Region. All representing Fire Service Planning and Service Regions.

Commissioner Coble nominated Mr. Kenan "Lee" Price; President of the Firemen's Association designee, Mr. Billy Myrick; Citizen/Consumer, and Mr. Lucius Jones; Representative from the Municipal Fire Tax District.

Cary Zoning Board of Adjustment

Commissioner Ward nominated Mr. William Gascoigne.

City of Raleigh Housing Appeals Board

Commissioner Coble nominated Ms. Jeri Pfeiffer as a Regular Member, and Mr. Blake Massengill as an Alternate Member.

Betty Lou Ward motioned, seconded by Paul Coble, to accept all nominations of appointments.

The motion passed unanimously.

Upcoming Vacancies

Committee Reports

Commissioner Brown indicated that she and Mr. Doug Vinsel have met with the Wake County Mayors Association about the 2010 Community Assessment Survey. She said that she attended the Transit Roundtable meeting in RTP with Commissioner Joe Bryan and Mr. David Cooke. She announced that she and several commissioners attended the Wake Education Partnership Awards Breakfast. Dr. Dudley Flood was given an award at the banquet.

Closed Session

Mr. Scott Warren indicated there were no items for closed session.

Adjourn

Paul Coble motioned, seconded by Betty Lou Ward, to adjourn the meeting.

The motion passed unanimously.

Respectfully submitted,

Susan J. Banks, CMC Clerk to the
Board Wake County Board of
Commissioners

