

Greg Edds, Chairman
Jim Greene, Vice- Chairman
Mike Caskey
Judy Klusman
Craig Pierce



Aaron Church, County Manager
Sarah Pack, Clerk to the Board
John W. Dees, II, County Attorney

Rowan County Board of Commissioners

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MINUTES OF THE MEETING OF THE ROWAN COUNTY BOARD OF COMMISSIONERS

January 3, 2023 – 3:00 PM

J. NEWTON COHEN, SR. ROOM

J. NEWTON COHEN, SR. ROWAN COUNTY ADMINISTRATION BUILDING

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PRESENT:

Greg Edds, Chairman
Jim Greene, Vice-Chairman
Mike Caskey, Commissioner
Craig Pierce, Commissioner

ABSENT:

Judy Klusman, Commissioner

County Manager Aaron Church, Clerk to the Board Sarah Pack, County Attorney Jay Dees, and Finance Director Anna Bumgarner were also present.

Call to Order

Chairman Edds called the meeting to order at 3:00 p.m. Chaplain Michael Taylor provided the invocation. Chairman Edds lead the Pledge of Allegiance.

Chairman Edds recognized and welcomed newly appointed Clerk to the Board Sarah Pack and newly appointed Deputy Clerk Rebecca Saleeby.

Consider Additions to the Agenda

Chairman Edds added Item 6a to the agenda, entitled “Policy for ban of TikTok and other products from County owned devices and network.”

Consider Deletions From the Agenda

There were no deletions from the agenda.

Consider Approval of the Agenda

On motion of Pierce, seconded by Greene, the Board voted 4-0 to approve the agenda as amended.

Consider Approval of the Minutes

On motion of Pierce, seconded by Greene, the Board voted 4-0 to approve the minutes of the December 5, 2022, meeting.

Consider Approval of the Consent Agenda

On motion of Pierce, seconded by Greene, the Board voted 4-0 to approve the Consent Agenda as presented, as follows:

- A. Revisions to Policy 5.6*
- B. Contract with First Tryon Advisors*
- C. Approve Acceptance of One Church One Child Grant Award from Salisbury-Rowan Community Foundation (SRCF)*
- D. Amendment Number 1 - Fifth Asset (DebtBook)*
- E. Families First Agreement*
- F. Tax Refunds for Approval*
- G. Lease Agreement - Rowan County Literacy Council*
- H. North Carolina Administrative Office of the Courts (NCAOC) – Memorandum of Agreement*
- I. Acceptance of Salisbury Community Foundation Grant to Rowan Public Library*
- J. Rowan Transit System Americans with Disabilities Act Plan*
- K. Fiscal Year (FY) 23-24 Community Services Block Grant for Salisbury-Rowan Community Action Agency Inc*
- L. Schedule Public Hearing for January 17, 2023, Regarding Historic Landmark Commission (HLC) 03-22*
- M. Reclassification Requests from Public Health Director*
- N. 4H Salisbury/Rowan Community Foundation Grant*
- O. [ROWAN WILD] Request to Apply for Grant Funding*
- P. Bond for Tax Collector*
- Q. Schedule Public Hearing for January 17, 2023, Regarding Road Name / Address Change*
- R. Take Home Vehicle Policy*
- S. [ROWAN WILD] Request to Apply for North Carolina Science Museums Grant (NCSMG) Funding*
- T. Chemical Booster Station - Change Order 005*
- U. Rowan County Health Department (RCHD) - 2023 Dental Fee Schedule*
- V. Rowan County Health Department (RCHD) - 2022 Clinical Fee Schedule*
- W. Rowan County Health Department (RCHD) - Debt Set-Off*
- X. Rowan County Health Department (RCHD) - Debt Write-Off*
- Y. Rowan County Health Department (RCHD) - Vital Strategies Grant Awarded*
- Z. Talbert, Bright & Ellington (TBE) Work Authorization Sewer Design Work for the Hangar Expansion Project*
- AA. Juvenile Crime Prevention Request for Proposals (RFP)*
- AB. Juvenile Crime Prevention Resolution*
- AC. 2022-12-22 Settlement Agreement*

Public Comment Period

Raymond Lassiter, 201 North Milford Drive, Salisbury, is present on behalf of the Rowan Museum. He invited the Board to a reception for the newly named executive director, Evin Burleson. He invited all citizens to attend as well.

Michael Chapman, 310 Kay Street, Salisbury, presented a handout to the Board (Attachment A). He spoke of the school system and changes needing to be made. He questioned why new computers are being purchased when basic educational needs are not being met. He suggested focusing on basic education rather than upgrading the computers. He requested that the Board not support upgrading computers in the school system so that basic education may be improved.

Public Hearing – Fiscal Year 2024 Combined Capital Transportation Grant Application

Valerie Steele, Airport and Transit Director, presented the Combined Capital Transportation Grant Application.

The North Carolina Public Transportation Division is accepting Transportation Program Applications for fiscal year (FY) 2024. The Board of Commissioners is the only official applicant for these funds. A Public Hearing is being conducted to allow residents an opportunity to comment on transportation needs and the Rowan Transit System (RTS) grant application.

RTS held a Public Hearing for transportation grant applications on September 6, 2022, which included the original request for Combined Capital Funding. Some of the requested vehicles in the FY 2022 vehicle order were cancelled by the manufacturer. These vehicles are now eligible to be included in the replacement order.

There are currently twenty-six vehicles in the fleet. Sixteen of those have exceeded their useful life, and there are only seven vehicles under the 100,000-mile threshold. This request would provide funding to replace eleven vehicles. The new vehicles will all be raised roof vans equipped with lifts.

Chairman Edds asked who determines the useful life of a vehicle. Ms. Steele said the Department of Transportation makes that determination. Chairman Edds asked if some vehicles are not funded, will the current vehicles continue to be used and Ms. Steele said yes. Retired vehicles are property of the County and can be driven or used for parts.

Vice-Chairman Greene asked if Ms. Steele is familiar with the microtransit grant. Ms. Steele said it is not something RTS is set up for. Ms. Steele said she applies for every grant RTS is eligible for. Vice-Chairman Greene asked if there is collaboration between transit groups. Ms. Steele said different patrons may qualify for the use of different services and it varies by person. Vice-Chairman Greene asked what patrons are transported for. Ms. Steele said generally medical appointments, but they will also transport to Rowan Vocational.

Ms. Steele said grant agreements are brought back in front of the Board of Commissioners for official acceptance, certification that the funding is available, and the approval for signature by the County Manager. The request is for a total amount of \$1,062,875 with 90% of the funding (\$850,300) coming from Federal monies, 10% coming from the State (\$106,287), and a county match of \$106,288. Applicants have been advised to be prepared for a 20% local share match in the event the State cannot participate in the amount of \$212,575.

At 3:19 p.m., Chairman Edds opened the Public Hearing and closed it after no one wished to speak.

On motion of Pierce, seconded by Caskey, the Board voted 4-0 to approve Rowan Transit System to apply for the Fiscal Year 2024 Combined Capital Grant in the amount of \$1,062,875.

Budget Amendments

Finance Director Anna Bumgarner presented the budget amendments, as follows:

<i>Finance</i>	<i>To adjust Home and Community Care Block Grant (HCCBG) budget to agree with HCCBG Rowan County Funding Plan</i>	<i>\$24,770</i>
<i>Finance</i>	<i>To transfer funds for new fence at Facilities Building for Health Department File</i>	<i>\$4,125</i>
<i>Facilities</i>	<i>Management To transfer funds for removal of flagpole at the West Library</i>	<i>\$3,500</i>
<i>Health</i>	<i>To budget Intergovernmental Transfer payments for Medicaid Prepaid Health Plan direct payments</i>	<i>\$44,000</i>
<i>DSS</i>	<i>Revise budget per Funding Authorizations received from the State</i>	<i>\$28,325</i>
<i>Finance</i>	<i>To reverse Budget Amendment 05-743 and move funds to cover Ellis Roof Project and Medical/Safekeeper Fees</i>	<i>\$256,750</i>
<i>Cooperative Extension</i>	<i>To increase budget for award money</i>	<i>\$650</i>
<i>Soil & Water</i>	<i>To budget for Streamflow Rehabilitation Assistance Program (StRAP) grant</i>	<i>\$313,972</i>
<i>DSS</i>	<i>To budget Low Income Water Assistance</i>	<i>\$14,100</i>
<i>Finance</i>	<i>To correct Budget Amendment 03-587 Grant Revenue Account Line</i>	<i>\$10,000</i>

On motion of Pierce seconded by Caskey the Board voted 4-0 to approve the presented Budget Amendments.

Presentation of Fiscal Year 2022 Annual Comprehensive Financial Report

Tonya Thompson, Lead Auditor at Martin & Starnes & Associates, presented the audit highlights. The firm has issued an unmodified (clean) opinion. She thanked county and community partners for working with the firm.

Ms. Thompson gave an overview of the general fund summary showing increases in both revenues and expenditures. She explained the fund balance and the classifications of funds. She compared the increase in the fund balance from 2020 to 2022, showing a steady increase. The past two years included very conservative spending due to the COVID-19 pandemic and an influx of economic support monies from the State and Federal government. Ms. Thompson explained how to find the available fund balance which is a statutory calculation. This is how local governments are evaluated and compared to their peers.

Ms. Thompson explained the changes in the available fund balance for the County since 2020 and compared Rowan County's standing to other neighboring counties.

Ms. Thompson explained the revenues that comprise the General Fund, with the largest source being property tax at 54%. The property tax revenue increase from last year had a small increase due to economic growth. Sales tax (22% of the General Fund) has increased due to increased spending. The restricted intergovernmental fund (14%) slightly decreased due to the federal and state aid rendered last year that was not available this year. The remaining 10% is classified as other revenues.

Ms. Thompson described the top expenditures for the General Fund, including the differences in funding for education, public safety, and human services. Public Safety is the largest expenditure at 30%, followed by other expenditures at 26%, Education at 25%, and Human Services at 19%. Many factors affected the public safety cost increase. Debt service decreased due to payments made and not taking on new debt.

Major enterprise funds include the airport fund and landfill fund, both of which showed an increase in unrestricted net position from 2021 to 2022. Ms. Thompson explained the quick ratio and how it is used to compare changes over the years.

The Local Government Commission introduced the concept of red flags last year. This year there were no red flags; all performance indicators are within acceptable parameters.

Commissioner Caskey asked how to tell if the sales tax increase is a positive number once inflation is factored in. Ms. Thompson suggested comparing the increase to the inflation rate. Chairman Edds said a 20 percent increase in sales tax is higher than an 8 or 9 percent inflationary increase. This would make the actual purchase rate 11 to 12 percent higher. The actual economic activity will have increased by 11 to 12 percent.

Chairman Edds said the Board has been very conservative and will likely take that position again as there will not be the same federal aid that there has been through the last few years of the COVID-19 pandemic. The annual report seems positive. He is encouraged by the available fund balance where Rowan is compared to counties with populations over 100 million.

Ms. Bumgarner said the full report has been sent to the Board.

Chairman Edds commended the County Manager and the finance department for their continued hard work.

Public Hearing and Findings of Fact for Installment Financing for West End Plaza

Ms. Bumgarner introduced the Resolution and Finding of Fact for the West End Plaza remodel project.

Chairman Edds said holding the public hearing is a step in the legal process in moving toward completing the project.

Mr. Church explained the reasoning for the public hearing and said when the bids come in, things will be a little clearer. The financing is based on a cost of approximately \$36,424,052. Of that, \$30,100,000 is being requested from the Local Government Commission (LGC). \$6 million has already saved by the County for the project.

Chairman Edds said money has been set aside every year to get to this point with \$6 million in funds available.

Mr. Church explained the components of the cost of the project and how the numbers could shift based on how the bids come in. The base bid is estimated to come in at \$18.3 million. There are several alternates that, when factored in, bring the total construction cost to \$31.3 million. There is a 7.5% contingency fund. This equates to \$2,349,000 and will give a buffer for if the bids come in high or if there is a change order. This contingency amount is slightly higher than typical. The design fees are approximately \$1.2 million. The soft cost is approximately \$1.5 million which includes furniture, technological needs, and other needs. This brings the total cost to approximately \$36,424,052. When bids are opened, the price may adjust.

Vice-Chairman Greene asked if the number of bidders was as expected.

Phillip Steele, ADW Architects, approached the podium and said there are currently only three bidders. Three bidders are required in order to open bids; any less than that will require another bidding process. Chairman Edds asked if bids can be rejected, and Ms. Bumgarner said yes.

Mr. Church explained the presented resolution and finding of fact, including the statement that there will be no increase in taxes. Approximately \$420,000 has been budgeted for old debt for the West End Plaza. There is a potential issue with financing the property due to a lien. The County owes approximately \$997,000 if the balance owed is paid by February 15, 2023. He asked the Board to consider paying this debt off early. There is money available to pay off this debt. Whether or not the debt is paid now, the money will still be budgeted. The next budgeted line item for debt is for the renovations and upfit to the new agricultural center at an amount of \$981,000, none of which has been spent yet. Including a contingency of \$183,000, the debt capacity that could be assigned is nearly \$1.6 million. The County can afford to spend \$1.6 million without increasing the budget. The upfit price is already accounted for in the budget.

Vice Chairman Greene asked if this was based on a 15-year payout and Mr. Church said yes.

Chairman Edds said the County has been preparing to spend money on this project. He confirmed that the money has been set aside. Mr. Church said the \$1.6 million is how much is reserved to go towards debt capacity. This loan is structured so that the largest payments are up front in order to accrue less interest. Mr. Church explained the payment schedule and amounts.

Chairman Edds gave an example of the payments in relation to annual household income. Mr. Church said the presented number is large but very small comparative to the county's budget.

Vice chairman Greene asked the percentage rate of the loan. Mr. Church said the rates would be lower and the loan will be paid of in 2025. Vice-Chairman Greene asked if the loan could be left alone and paid off. Ms. Bumgarner explained that the building is used for collateral. Attorney Jay Dees explained the process that would be required.

Ms. Bumgarner said the County makes semiannual payments. Mr. Church said if it's paid now, the financing would be cleaner.

Chairman Edds asked for recommendations from Mr. Church, Mr. Dees, and Ms. Bumgarner. Mr. Dees said the lender will likely require the existing debt to be satisfied.

Mr. Church reminded the board that the bidding process is competitive.

Chairman Edds said this is a long-term project. He asked about requirements of a recent space needs study. Mr. Steele said a cost for constructing a similar building now would probably cost \$450 per square foot. Chairman Edds reminded everyone that the building under renovation was purchased for barely over \$10 per square foot.

Vice Chairman Greene said the incoming rent should be factored in as well. He explained the potential uses for the property.

At 4:05 p.m., Chairman Edds opened the Public Hearing.

Michael Chapman, 310 Kay Street, Salisbury, said this is wonderful project that will be a benefit to the community. He asked if neighbors have been communicated with so that growing pains may be prevented.

Hearing no further comments, Chairman Edds closed the Public Hearing at 4:06 p.m.

Chairman Edds read the Resolution into record.

On motion of Edds, seconded by Caskey, the Board voted 3-,1 with Pierce opposed, to approve a Resolution Authorizing the Filing of an Application for Approval of an Installment Financing Contract Authorized by North Carolina General Statutes §160A-20 and Making Certain Findings Required by North Carolina General Statutes §159-151, as follows:

*RESOLUTION AUTHORIZING THE FILING OF AN APPLICATION FOR
APPROVAL OF AN INSTALLMENT FINANCING CONTRACT AUTHORIZED
BY NORTH CAROLINA GENERAL STATUTES §160A-20 AND MAKING
CERTAIN FINDINGS REQUIRED BY NORTH CAROLINA GENERAL
STATUTES §159-151*

WHEREAS, the Board of Commissioners (the "Board of Commissioners") of Rowan County, North Carolina (the "County") desires to pursue the financing of the renovation and equipping of the West End Plaza Mall into meeting space and offices (the "Project") pursuant to an installment financing contract, as permitted under N.C.G.S. §160A-20; and

WHEREAS, it is anticipated that the portion of the cost of the Project that will be financed together with the payment of issuance expenses in connection with the financing will not exceed \$30,100,000; and

WHEREAS, the installment financing contract for the financing of the Project pursuant to N.C.G.S. §160A-20 must be approved by the North Carolina Local Government Commission (the "LGC") and will only be approved if the findings of N.C.G.S. §159-151(b) have been made; and

WHEREAS, the County has today held a public hearing regarding financing of the Project through the execution and delivery of the Agreement, as evidenced by the Certificate and Summary of Public Hearing attached hereto;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the County, as follows:

- 1. After consideration, the Board of Commissioners has determined that the most advantageous manner of financing the Project is by an installment financing contract pursuant to Section 160A-20 of the General Statutes of North Carolina, as amended. In support thereof, the Board hereby makes the following findings of fact:*
 - (a) Pursuant to Section 160A-20, the County is authorized to finance the Project by entering into an installment financing contract and a deed of trust that creates a security interest in some or all of the property financed to secure repayment of such financing.*
 - (b) The proposed financing is necessary or expedient because it will provide needed improvements for the County.*
 - (c) The proposed financing is preferable to a bond issue for the same purpose because of low fixed costs and favorable interest rates offered through installment contract financing compared to a bond issue.*
 - (d) The cost of the proposed undertaking exceeds the amount of funds that can be prudently raised from currently available appropriations, unappropriated fund balances, and nonvoted general obligation bonds that could be issued by the County in the fiscal year pursuant to Article V, Section 4, of the North Carolina Constitution.*
 - (e) The sums proposed to be provided under the financings are adequate and not excessive for the stated purpose of financing the Project.*
 - (f) The County's debt management procedures and policies are good and have been carried out in strict compliance with law and will henceforth be so carried out.*
 - (g) There will be no increase in taxes necessary to meet the sums to fall due under the proposed financings.*
 - (h) The County is not in default in any of its debt service obligations.*
- 2. The attorney for the County will render an opinion that the proposed financing is authorized by law and is a purpose for which public funds*

may be expended pursuant to the Constitution and laws of North Carolina.

- 3. Each of the County Manager, the Finance Officer, and other appropriate officers of the County is hereby authorized and directed to proceed with the financing of the Project and the filing of an application with the LGC for its approval of such financing as described above for the financing of the Project in an amount not to exceed \$30,100,000, and the actions of any of the Chairman, the County Manager, the Finance Officer, and other officers of the County in connection therewith are hereby approved and confirmed.*
- 4. All other acts of the Board of Commissioners and the officers of the County, which are in conformity with the purposes and intent of this resolution and in furtherance of the financing of the Project, are hereby ratified, approved and confirmed.*
- 5. This resolution shall take effect immediately.*

On motion of Edds seconded by Caskey, the Board voted 4-0 authorize staff to pay off the West End Plaza note with First Bank in the amount of \$997,425.40 on or before February 15, 2023.

AGENDA ADDITION – Policy for Ban of TikTok and Other Products From County Owned Devices and Network

Chairman Edds read aloud a memo from Assistant County Manager/Chief Information Officer Randy Cress regarding instituting a Policy for ban of TikTok and other products from County Owned devices and network (Attachment B).

Commissioner Caskey asked if the programs mentioned in the policy will be blocked on devices or if Information Technology staff will be notified when those sites or applications are accessed. Mr. Cress said both the referenced sites and pages would be blocked and the applications will not be able to be installed.

Vice-Chairman Greene asked if users already have the application downloaded on a County device, would the application be automatically blocked. Mr. Cress confirmed that the application would be blocked from opening.

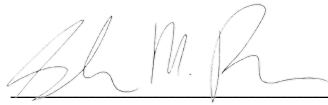
Commissioner Pierce asked how employees that use personal phones for County business will be affected. Mr. Cress said this policy only refers to County-owned devices. If a person is using a personal device that is connected to a County network, the banned sites and applications will be blocked.

Chairman Edds said Rowan County is not the first local government to institute such a ban. Mecklenburg County recently made a similar decision. Mr. Cress said 21 states have enforced a similar ban at the State level. These types of bans are enforced at the federal level as well.

On motion of Edds, seconded by Caskey, the Board voted 4-0 to allow the County Manager to enforce the Policy for ban of TikTok and other products from County-owned devices and network.

Adjournment

At 4:22 p.m., on motion of Pierce, seconded by Greene, the Board voted 4-0 to adjourn.

A handwritten signature in cursive script, appearing to read 'S. M. P.', is written above a horizontal line.

Sarah Pack, NCCCC
Clerk to the Board

December 30, 2022

Dear Rowan Commissioners,

WHO is running the school system? It is certainly NOT the current school board. The central office brings in a proposal for a "REFRESH" of computers. WHY? What's with using the word LEASE? Is this a PC word for not saying PURCHASE? The board asked several questions that were vaguely answered by the presenter.

The most important question was NEVER asked. **HOW WILL PURCHASING NEW COMPUTERS IMPROVE THE EDUCATION OF OUR STUDENTS? It Will NOT!!!!** Will new computers teach our children to read better OR do better math? Will this get us out of the basement of the worst school districts in the state?

In the central office presentation their ONLY reason for "REFRESH" was that the resell value would be better. And there was no specific number to the past resale. What about the answer to the fee question? He said; "The money is used for labels, scanners, summer pay for techs and STAFF used for distribution."

I've included the 6 min. audio recording of the rant by board member Hunter with him saying that 3 years ago he *vowed* never to vote for this again without questions being answered; YET he along with all but two board members voted for it as is. Why do we have a school board when all they do is rubber stamp what central office brings to them. It reminds me of when Radar O'Reilly brought paperwork to Henry Blake for signatures. WHY could they have NOT tabled this until complete numbers were presented. This is NOT good use of the taxpayer money and I trust that you will see that also.

Here are my suggestions.

- 1) Remove all of the student computers from k-5 except one classroom for computer instruction.
- 2) Bring back books into the classroom for BASIC primary instruction. Teachers can use their computers with their TV's for SOME of their instruction.
- 3) Take those computers and upgrade the programing to use for backups for the computers we NOW own for secondary schools. (Contract locally with a computer repair person)
- 4) Evaluate how many TVs work without problems. Fix what can be fixed and replace those which are un-fixable.
- 5) With the money NOT spent: Hire 30 basic literacy teachers for the primary schools. One for each primary school and 13 floaters to help in different schools. (TRY to hire retired OLD-SCHOOL Teachers) Hire one basic literacy teacher for each of the middle and high schools.
- 6) Re-Evaluate the STAFF who control the technical department.

Do I have a TRUST problem with the central office? YES!!!

The board has NOT changed with the election.

Hunter said; "Maybe I've said too much"

NO, he has NOT SAID ENOUGH and his voting actions reflect that.

VOTE NO for new computers! YES to Basic Education!

Sincerely,
Michael Chapman
704-219-2484

	MacBook Air		iPad (64gb)		Dell Chromebook (8gb)		Dell Laptop	
	Unit Cost	Total	Unit Cost	Total	Unit Cost	Total	Unit Cost	Total
Cost	\$949	\$19,055,920	\$401	\$8,032,240	\$395	\$7,931,600	\$850	\$17,068,000
Residual	\$320	\$6,425,600	\$90	\$1,807,200	\$0	\$0	\$75	\$1,506,000
Total		\$12,630,320		\$6,225,040		\$7,931,600		\$15,562,000

iPad and Chromebook Cost Comparison

Initial \$100,640 more
After resale \$1.7M savings

Other cost considerations:

Retraining of teachers/support staff
Retrain Students

Teachers rewriting lessons

More technicians

Limited institutional knowledge of Chromebook

Infrastructure to support

More stock devices necessary

iPads needed* 20,060

MacBook Airs needed* 1,900

Apple TV devices 500

* Numbers include stock for repairs

This Presentation was a JOKE!

It's all smoke and mirrors. Just what are they comparing here? You NEVER purchase something based on the amount it MAY sell for in three years. What if the market changes?

WHY do they use residual in place of RESELL?

A Lease is **NOT** a Lease-Purchase.

WHERE WAS THE BREAKDOWN FOR THE TAXPAYER TO SEE?

Central office does not understand simple business, OR are there things NOT being disclosed.

WHY do you need MORE TV DEVICES?
How many still work without problems?

There are ONLY 1,187 classroom teachers.
Where are the other 713 MacBook Airs going?
WHERE are the fees going?

WHERE ARE THE DETAILS?

From: Randy J. Cress, Assistant County Manager / CIO

Date: January 1, 2023

Title: Policy for ban of TikTok and other products from County owned devices and network.

Overview:

TikTok is a video-sharing mobile application with more than 94 million users in the United States in 2022 and is owned by a Chinese company, ByteDance Ltd., which has a subsidiary that is partially owned by the Chinese Communist Party.

TikTok can harvest large amounts of data from devices it is installed on including when, where, and how the user conducts Internet activity and on June 30, 2022, TikTok admitted in a letter to nine United States Senators that China-based employees can access U.S. data, even though that data is stored in the United States. Additionally, under China's 2017 National Intelligence Law, all Chinese businesses are required to assist China in intelligence work, including data sharing.

There are also several Chinese companies that produce Telecommunications and Audio/Video equipment, and the use of these products may enable the manufacturer or vendor to:

- Collect sensitive citizen, financial or other business data.
- Enable Business Email Compromise and act as a vector for Ransomware Deployment.
- Conduct effective Cyber-espionage against government entities.
- Conduct surveillance and tracking of individual users.
- Use algorithmic modifications to conduct disinformation or misinformation campaigns.

The Federal Communications Commission (FCC) maintains a list of communications equipment and services known as the Covered List that are deemed to pose an unacceptable risk to the national security of the United States or the security and safety of United States persons. Use of these products would disqualify the County use of federal grant funding in many cases.

On Thursday, December 29, 2022, the President signed into law, H.R. 2617, the "Consolidated Appropriations Act, 2023," containing Division R cited as "No TikTok on Government Devices Act" that bans the use of TikTok on federal government devices with an exception for law enforcement use.

Recommendation:

Hardware, software and services from the following vendors will not be used in or connected to any Rowan County Network or installed on any County issued device including but not limited to desktop computers, laptops, tablets, and mobile phones.

- (a) Huawei Technologies Company
- (b) ZTE Corporation
- (c) Hytera Communications Corporation

- (d) Hangzhou Hikvision Digital Technology Company
- (e) Dahua Technology Company
- (f) AO Kaspersky Lab
- (g) Tencent Holdings, including but not limited to:
 - a. Tencent QQ
 - b. QQ Wallet
 - c. WeChat
- (h) Alibaba products, including but not limited to:
 - a. AliPay
- (i) ByteDance Limited Products, including but not limited to:
 - a. TikTok

Exceptions:

Following federal guidance, use of software applications will be allowable for official law enforcement use using dedicated County owned devices not co-mingled with County network accounts.

Authorization Request to the Board of Commissioners:

Allow the County Manager to enforce the recommended actions through Policy for the effective ban on specific products and services with Chinese Communist Party and Russian Federation ties to best preserve the safety, security, and privacy of the Citizens of Rowan County.