

**Cumberland County
Board of Commissioners
Strategic Planning Retreat Agenda
Thursday, February 7, 2013
8:00 AM – 1:00 PM**

Chairman's Welcome and Approval of Agenda

- Item 1** Overview of Distribution of Sales Tax Proceeds, State Statutes and Expiration of the Interlocal Agreement (Pg. 2)
- Item 2** School Funding Discussion (Pg. 14)
- Item 3** Parks and Recreation Bond Package (Pg.16)
- Item 4** Capital Improvement Plan (Pg. 19)
- Item 5** Mental Health Issues (Pg. 23) (No Backup / Discussion Only)
- Item 5a.** Interlocal Agreement / Merger (No Backup / Discussion Only)
- Item 5b.** Mental Health Clinic Services / CFVHS (No Backup / Discussion Only)
- Item 6** Funding for Non-Profits (Pg. 24)
- Item 7** Annexation Policy in Industrial Parks (Pg. 37)
- Item 8** NCACC Legislative Agenda Update (Pg. 43)
- Item 9** Additional Topics (Pg. 59) (No Backup / Discussion Only)
- County Manager's Update – James Martin** (Pg. 60)
- Funding and Budget Overview
 - Insurance
 - Jail Expansion
 - Phase II Salary Study
 - Other Matters
- Wrap Up/Discussion of Priorities** (Pg. 62) (No Backup / Discussion Only)

Item 1

Overview of Distribution of Sales Tax Proceeds, State Statutes and Expiration of the Interlocal Agreement



Distribution of Sales Tax Proceeds

Overview of State Statutes and Local Agreements

February 7, 2013



Sales Tax Distribution Methods

- County Commissioners are authorized to choose between two methods to establish the division of sales tax proceeds between the county and its municipalities
 - Per Capita Distribution
 - The total of the county-wide population (incorporated and unincorporated areas) plus the populations of each municipality is used to calculate a proportional distribution
 - Ad Valorem Distribution
 - The sum of ad valorem taxes levied by the county, each municipality and each taxing district in the immediately preceding fiscal year is used to calculate a proportional share of sales tax proceeds
- County Commissioners may change the method of distribution for the next fiscal year by adopting a resolution in April



Sales Tax Distribution Methods

For FY 2012					
	Pop	Pop %	Ad Valorem-Levy	Ad Valorem %	Difference
Cumberland	326,673	57.57692%	\$ 165,917,108	71.21682%	13.63991%
Eastover	3,628	0.63944%	578,635	0.24837%	-0.39108%
Falcon*	311	0.05481%	22,449	0.00964%	-0.04518%
Fayetteville	208,291	36.71180%	58,792,175	25.23545%	-11.47635%
Fayetteville CBTD	-	0.00000%	135,842	0.05831%	0.05831%
Godwin	139	0.02450%	28,985	0.01244%	-0.01206%
Hope Mills	15,176	2.67481%	4,031,698	1.73053%	-0.94428%
Hope Mills Recreation	-	0.00000%	479,964	0.20602%	0.20602%
Linden	130	0.02291%	13,608	0.00584%	-0.01707%
Spring Lake	11,436	2.01562%	2,637,583	1.13213%	-0.88349%
Stedman	1,028	0.18119%	258,288	0.11087%	-0.07032%
Wade	556	0.09800%	78,258	0.03359%	-0.06441%
Total	567,368	100.00000%	\$ 232,974,593	100.00000%	0.00000%



Cumberland County Distributions

- Sales taxes in Cumberland County have historically been distributed using the per capita distribution method
- As municipal populations grew through annexation, the County's relative share of sales tax distribution declined
- In October 2003, an interlocal agreement was reached between the County and each of the municipalities
- The County agreed to maintain the per capita distribution method in exchange for specified reimbursements from municipalities with population increases through annexations



Fayetteville Prior Annexations

Summary of Prior Fayetteville Annexations													
	Annexation Phase 1		Annexation Phase 2		Annexation Phase 3A		Annexation Phase 3B		Annexation Phase 4A		Totals	Totals	
Effective Date	June 30, 1994		June 30, 1996		June 30, 1998		June 30, 1999		June 30, 2001				
Fiscal Year	FY1995		FY1997		FY1999		FY2000		FY2002				
Annex Population	8,561		21,306		9,356		3,670		4,573		47,466		
Projected Revenue Loss													
Cumberland County	(512,772)	(512,772)	(1,769,972)	(1,769,972)	(2,317,292)	(2,540,337)	(2,540,337)	(2,829,887)	(14,793,341)	(28,298,870)	(43,092,211)		
Falcon	(906)	(906)	(3,136)	(3,136)	(4,057)	(4,427)	(4,427)	(4,934)	(25,929)	(49,340)	(75,269)		
Fayetteville	714,661	714,661	2,491,858	2,491,858	3,271,607	3,588,680	3,588,680	4,001,960	20,863,965	40,019,600	60,883,565		
Godwin	(180)	(180)	(613)	(613)	(796)	(869)	(869)	(965)	(5,085)	(9,650)	(14,735)		
Hope Mills	(20,843)	(20,843)	(76,368)	(76,368)	(101,437)	(112,000)	(112,000)	(126,387)	(646,246)	(1,263,870)	(1,910,116)		
Linden	(424)	(424)	(1,428)	(1,428)	(1,859)	(2,030)	(2,030)	(2,253)	(11,876)	(22,530)	(34,406)		
Spring Lake	(18,960)	(18,960)	(65,937)	(65,937)	(87,511)	(96,116)	(96,116)	(107,423)	(556,960)	(1,074,230)	(1,631,190)		
Stedman	(1,630)	(1,630)	(5,719)	(5,719)	(7,434)	(8,104)	(8,104)	(8,974)	(47,314)	(89,740)	(137,054)		
Wade	(1,070)	(1,070)	(3,756)	(3,756)	(4,908)	(5,366)	(5,366)	(5,969)	(31,261)	(59,690)	(90,951)		
Schools	(157,876)	(157,876)	(564,931)	(564,931)	(746,315)	(819,432)	(819,432)	(915,169)	(4,745,962)	(9,151,690)	(13,897,652)		



Interlocal Agreement

- Effective July 1, 2004 for a 3-year term and renewed for two additional 3-year terms
 - Fayetteville agreed to pay Cumberland County \$2.1 million as reimbursement for sales tax revenue losses resulting from previous annexations
 - For FY2006 and beyond, the reimbursement converted to 2.64% of county-wide sales taxes based upon the proportion of \$2.1 million to total FY2005 sales taxes
 - Each municipality that annexed population during the term of the agreement was required to reimburse the County and other municipalities 50% of sales tax distribution losses that resulted from the annexation for all subsequent years
 - Current agreement expires June 30, 2013



Fort Bragg/Pope Supplemental

- The agreement was modified effective upon the annexation of Bragg/Pope into Fayetteville and Spring Lake
- Fayetteville and Spring Lake agreed to reimburse the County for 100% of sales tax distribution losses that resulted from this annexation for all subsequent fiscal years
- Reimbursement percentages are adjusted annually to reflect population increases and decreases on the two military installations



Reimbursement Payments

- FY2012 reimbursement percentages reflect the cumulative impact of:
 - Original reimbursement amount
 - Fayetteville's "big bang" annexation and 7 minor annexations by Fayetteville (2), Spring Lake (1), Godwin (1), Stedman (1) and Wade (2)
 - Incorporation of Eastover
 - Annexations of Fort Bragg and Pope



Net Results

Based on FY 2012 Actual Sales Tax Distributions							
	Change to Ad Valorem Distribution	Fayetteville Payments	Eastover Payments	Spring Lake Payments	Godwin Payments	Hold Harmless Schools	Net Change
General Fund	\$ 7,491,828	\$ (6,199,978)	\$ (164,588)	\$ (301,441)	\$ (2,081)	\$ 1,185,220	\$ 2,008,960
Schools	1,367,882					(1,185,220)	182,662
Cumberland Total	8,859,710	(6,199,978)	(164,588)	(301,441)	(2,081)	-	2,191,622
Recreation	1,104,889						1,104,889
Special Fire Districts	264,140						264,140
Fire District	2,159,979						2,159,979
Total County	\$ 12,388,717	\$ (6,199,978)	\$ (164,588)	\$ (301,441)	\$ (2,081)		\$ 5,720,629
Eastover	\$ (354,747)	\$ -	\$ 255,574	\$ (2)	\$ -		\$ (99,175)
Falcon*	(40,963)	(3,474)	(175)	(182)	(2)		(44,796)
Fayetteville	(10,424,427)	6,350,503	(80,973)	(13,348)	-		(4,168,245)
Fayetteville CBTD	52,817	-	-	-	-		52,817
Godwin	(10,942)	(66)	(38)	(14)	2,182		(8,878)
Hope Mills	(857,455)	(133,825)	(6,730)	(7,496)	(89)		(1,005,595)
Hope Mills Recreation	186,617	-	-	-	-		186,617
Linden	(15,480)	(1,467)	(75)	(79)	(1)		(17,102)
Spring Lake	(801,872)	-	(2,339)	323,162	-		(481,049)
Stedman	(63,844)	(7,398)	(364)	(264)	(5)		(71,875)
Wade	(58,421)	(4,295)	(292)	(336)	(4)		(63,348)
Total	\$ (12,388,717)	\$ 6,199,978	\$ 164,588	\$ 301,441	\$ 2,081		\$ (5,720,629)
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Note: Ad valorem tax distribution is based on the levy for ALL governmental taxing districts. Each taxing district would receive a proportional share of the sales tax distribution from the State. The County would receive all the sales tax distributions for the districts for which it levys a tax. The County would then distribute to those taxing districts their pro-rata share.



Sales Tax Hold Harmless Analysis

50% Method vs. 60% Method

	50% Method			60% Method			Total Change Between Methods	
	Payments @100% Hold Harmless	Payments @50% Hold Harmless	Total Payments	Payments @100% Hold Harmless	Payments @60% Hold Harmless	Total Payments		
\$ 75,351,112.15								
FAYETTEVILLE PAYMENTS TO:								
Cumberland County	\$ 4,010,215.58	+ \$ 2,189,762.85	= \$ 6,199,978.42	\$ 4,010,215.58	+ \$ 2,627,715.42	= \$ 6,637,930.99	\$ 437,952.57	
Eastover	-	+	=	-	+	=	-	
Falcon	-	+	3,474.44	=	+	4,169.33	=	694.89
Fayetteville	-	+	-	=	+	-	=	-
Godwin	-	+	66.31	=	+	79.57	=	13.26
Hope Mills	-	+	133,825.08	=	+	160,590.10	=	26,765.02
Linden	-	+	1,467.09	=	+	1,760.50	=	293.42
Spring Lake	-	+	-	=	+	-	=	-
Stedman	-	+	7,397.97	=	+	8,877.57	=	1,479.59
Wade	-	+	4,495.01	=	+	5,154.02	=	859.00
	\$ 4,010,215.58	+ \$ 2,340,288.75	= \$ 6,350,504.32	\$ 4,010,215.58	+ \$ 2,808,346.50	= \$ 6,818,562.07	\$ 468,057.75	
EASTOVER PAYMENTS TO:								
Cumberland County	\$ -	+ \$ 164,587.17	= \$ 164,587.17	\$ -	+ \$ 197,504.61	= \$ 197,504.61	\$ 32,917.43	
Eastover	-	+	-	=	+	-	=	-
Falcon	-	+	174.81	=	+	209.78	=	34.96
Fayetteville	-	+	80,973.06	=	+	97,167.67	=	16,194.61
Godwin	-	+	38.43	=	+	46.11	=	7.69
Hope Mills	-	+	6,730.36	=	+	8,076.43	=	1,346.07
Linden	-	+	75.35	=	+	90.42	=	15.07
Spring Lake	-	+	2,338.90	=	+	2,806.68	=	467.78
Stedman	-	+	363.95	=	+	436.74	=	72.79
Wade	-	+	491.01	=	+	349.93	=	58.32
	\$ -	+ \$ 255,573.64	= \$ 255,573.64	\$ 4,010,215.58	+ \$ 306,688.37	= \$ 306,688.37	\$ 51,114.73	
SPRING LAKE PAYMENTS TO:								
Cumberland County	\$ 301,326.08	+ \$ 114.53	= \$ 301,440.62	\$ 301,326.08	+ \$ 137.44	= \$ 301,463.52	\$ 22.91	
Eastover	-	+	1.51	=	+	1.81	=	0.30
Falcon	-	+	182.35	=	+	218.82	=	36.47
Fayetteville	-	+	13,348.45	=	+	16,018.14	=	2,669.69
Godwin	-	+	13.56	=	+	16.28	=	2.71
Hope Mills	-	+	7,495.93	=	+	8,995.11	=	1,499.19
Linden	-	+	79.12	=	+	94.94	=	15.82
Spring Lake	-	+	-	=	+	-	=	-
Stedman	-	+	264.48	=	+	317.38	=	52.90
Wade	-	+	335.07	=	+	403.28	=	67.21
	\$ 301,326.08	+ \$ 21,836.00	= \$ 323,162.08	\$ 301,326.08	+ \$ 26,203.20	= \$ 327,529.28	\$ 4,367.20	
GODWIN PAYMENTS TO:								
Cumberland County	\$ -	+ \$ 2,081.20	= \$ 2,081.20	\$ -	+ \$ 2,497.44	= \$ 2,497.44	\$ 416.24	
Eastover	-	+	-	=	+	-	=	-
Falcon	-	+	2.26	=	+	2.71	=	0.45
Fayetteville	-	+	-	=	+	-	=	-
Godwin	-	+	-	=	+	-	=	-
Hope Mills	-	+	88.91	=	+	106.70	=	17.78
Linden	-	+	0.75	=	+	0.90	=	0.15
Spring Lake	-	+	-	=	+	-	=	-
Stedman	-	+	5.27	=	+	6.33	=	1.05
Wade	-	+	3.11	=	+	4.52	=	0.75
	\$ -	+ \$ 2,182.17	= \$ 2,182.17	\$ -	+ \$ 2,618.60	= \$ 2,618.60	\$ 436.43	

Item 2

School Funding Discussion

JAMES E. MARTIN
County Manager

AMY H. CANNON
Deputy County Manager



JAMES E. LAWSON
Assistant County Manager

CUMBERLAND
★ **COUNTY** ★
NORTH CAROLINA

TO: BOARD OF COUNTY COMMISSIONERS

THRU: JAMES E. MARTIN, COUNTY MANAGER

FROM: AMY H. CANNON, DEPUTY COUNTY MANAGER

Amy H. Cannon

DATE: JANUARY 31, 2013

SUBJECT: SCHOOL FUNDING AGREEMENT

BACKGROUND

Management was contacted by Dr. Till requesting a meeting to discuss the Board of Education's interest in developing a school funding agreement. The prior agreement provided a funding formula which governed the annual appropriations of school current expense funding for fiscal years July 1, 2007 through June 30, 2011. The appropriations for fiscal years FY2012 and FY2013 have been held at the FY2011 amount of \$76,220,676.

For fiscal year 2011, the last year of the funding agreement, the actual amount paid was \$76,879,425 which equated to 37.55 cents of the tax rate or 51.2 cents of every tax dollar collected. In addition, the agreement was amended to recognize that the annual appropriation to the Board of Education would reflect on the actual net property tax revenues realized and collected by the County as a result of any economic development incentive agreements formally approved by the Board of Commissioners.

Based on our discussions with Dr. Till and Ricky Lopes, the following parameters were discussed as the basis for a new funding agreement to be effective July 1, 2013:

- school current expense funding for FY2014 will be held at current level of \$76.2M
- new funding percentage for FY2015 will be established using FY2013 as the base year
- percentage will be calculated based upon the ratio of \$76.2M to the FY2103 property tax levy
- actual taxes collected which exceed the amount budgeted and previously paid to the Board of Education will be split 75% to the County and 25% to the Board of Education.

PROPOSED ACTION

Consider the parameters above in establishing a school current expense funding formula effective for July 1, 2013 (FY2014) based upon FY2013 actual data.

/attachment

Item 3

Parks and Recreation Bond Package

JIMMY KEEFE
Chairman



CANDICE WHITE
Clerk to the Board

JEANNETTE M. COUNCIL
Vice Chairman

KELLIE BEAM
Deputy Clerk

KENNETH S. EDGE
CHARLES E. EVANS
MARSHALL FAIRCLOTH
BILLY R. KING
EDWARD G. MELVIN

CUMBERLAND
★ COUNTY ★
NORTH CAROLINA

BOARD OF COMMISSIONERS

TO: Jimmy Keefe, Chairman
FROM: Billy R. King, County Commissioner BK/KB
DATE: January 3, 2013
RE: Parks & Recreation Issue

It may be time for us as commissioners' to reconsider the idea of re-joining with the City of Fayetteville in the promotion of the Parks and Recreation bond issue. This is an issue, in my humble opinion, which has come.

Please agenda for discussion at our upcoming January 22, 2013 meeting.

CC: Board of Commissioners
County Management
County Attorney

JIMMY KEEFE
Chairman



CANDICE WHITE
Clerk to the Board

JEANNETTE M. COUNCIL
Vice Chairman

KELLIE BEAM
Deputy Clerk

KENNETH S. EDGE
CHARLES E. EVANS
MARSHALL FAIRCLOTH
BILLY R. KING
EDWARD G. MELVIN

CUMBERLAND
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BOARD OF COMMISSIONERS

January 29, 2013

The Honorable Tony Chavonne
Mayor of Fayetteville
433 Hay Street
Fayetteville, NC 28301

Dear Mayor Chavonne:

You probably know that the county commissioners' upcoming retreat will include discussion of the Parks and Recreation bond issue.

However, after discussing this matter with some of the city council members, I am not sure that a discussion by the county commissioners will get this issue moving again.

Personally, I would like to see some kind of compromise in an attempt to resolve the differences. At the time I suggested the board of commissioners discuss the bond issue, I was not fully aware of some of the city council's internal political struggles.

It seems that some of the council members would like a disparity study conducted to determine the historical participation of minorities and women in the awarding of local contracts. This lack of participation should be obvious to most of us who look at the historical participation of these groups with local, state and federal government.

As an elected official and a longtime resident of this community, I hope that city council members can reach a mutually agreed upon decision that will allow the citizens of the city of Fayetteville to vote on this very important Parks and Recreation bond issue.

Sincerely,

Billy R. King
County Commissioner

Cc: Fayetteville City Council
Cumberland County Board of Commissioners
Cumberland County Management
Cumberland County Legal

Item 4

Capital Improvement Plan

CAPITAL IMPROVEMENT PROGRAM

The five-year Capital Improvement Projects Plan (CIP) is a financing construction/acquisition plan for projects that require a significant capital outlay. The CIP provides an overall perspective to capital planning, as it includes projects that are funded from all funds. FY2013 budget totals for each project recommended by the County Manager are included for the Commissioners approval within the Recommended Operating Budget Document.

The CIP is a dynamic process that will include changes over time. These changes may be necessitated by organizational changes, funding uncertainties, unforeseen emergencies, project delays, or plans by other entities. Even though changes will occur, there are many benefits to the long term planning and analysis that go into the development of the CIP.

Capital Asset/Improvement

A capital asset is defined as a tangible item with a value in excess of \$5,000 and an expected life of more than one year, such as automobiles and major pieces of equipment. A capital improvement is a tangible item with a value in excess of \$7,500 that is expected to last indefinitely or improves or maintains the life to a current asset. These items are budgeted in the annual operating budget within each department.

Capital Project

The CIP includes all capital expenditures of \$100,000 or more which are funded in whole or part through county government. Capital Improvements are defined as land purchased for a public facility, major facilities, major renovations or expansion of existing facilities, and major pieces of equipment or rolling stock.

In general, CIP projects are adopted then readopted annually as multi-year funds until the project is completed and closed out. The County does not adopt projects using the Capital Project Ordinance method. The multi-year capital project fund authorizes all the funding and expenditures for the completion of the entire project.

Funding Overview

The Capital Improvements Program relies on a variety of funding sources to accomplish its many efforts. These include general fund appropriations, enterprise fund revenues, debt financing, state shared revenues and grants from the state government, federal government or private sources. Projects funded through debt financing also have a major impact on the annual operating budget because of their ongoing debt service expenses. A summary of the county's outstanding debt obligations and the related debt service in both the General Fund and the Separate Funds are included in the Recommended and Adopted Budgets. In addition, debt service projections over the next five years are provided.



Project Costs

Project	Budgeted (1)		Proposed (2)				Total
	FY2012	FY2013	FY2013	FY2014	FY2015	FY2016	
- Current Projects -							
Health Department Building	27,986,300	27,986,300					27,986,300
Western Regional Library	5,717,186	5,717,186					5,717,186
Gray's Creek Middle School	20,000,000	20,000,000					20,000,000
New Century International Elementary	17,517,851	17,517,851					17,239,528
Landfill Construction-Current	4,198,052	4,198,052					4,198,052
Landfill Construction-New	655,771	655,771					655,771
School Renovations-QSCBs	15,900,000	15,900,000					15,900,000
Eastover Sanitary District- Water II	8,152,500	8,443,757					8,443,757
Eastover Sanitary District- Sewer		50,000					50,000
Detention Facility Expansion	4,764,278	4,764,278	10,254,413				15,018,691
New Century Middle School	17,416,930	17,416,930					17,416,930
Southpoint Water Project	605,100	605,100					605,100
Total	122,913,968	123,255,225	10,254,413	-	-	-	132,626,215
Potential Projects (3)							
E. Newton Smith Center							unknown
Pamalee Branch Library							7,542,992
County Schools							118,348,900
Total	-	-	-	-	-	-	125,891,892
	122,913,968	123,255,225	10,254,413	-	-	-	258,518,107

(1) Gray shaded projects are essentially finished, but not officially closed on the county's books. In some cases, a small amount of remaining unspent funds have been reallocated within the project.

(2) Proposed funds for current projects have not yet been budgeted as of July 1, 2012, but are expected to be budgeted during the listed fiscal year.

(3) Potential projects are neither budgeted or funded. An estimated cost is listed for reference only. The cost of future renovations to the E. Newton Smith Center are unknown.



Funding

Project	Budgeted		Financing Sources				
	FY2012	FY2013	Federal	State	Debt	Other	County
- Current Projects -							
Health Department Building	27,986,300	27,986,300			26,500,000		1,486,300
Western Regional Library	5,717,186	5,717,186			5,314,224		402,962
Gray's Creek Middle School	20,000,000	20,000,000			20,000,000		
New Century International Elementary	17,517,851	17,517,851			17,517,851		
Landfill Construction-Current	4,198,052	4,198,052				4,198,052	
Landfill Construction-New	655,771	655,771				655,771	
School Renovations-QSCBs	15,900,000	15,900,000			15,900,000		
Eastover Sanitary District- Water II	8,152,500	8,443,757	1,797,700		6,505,557	140,500	
Eastover Sanitary District- Sewer		50,000				50,000	
Detention Facility Expansion	4,764,278	4,764,278					4,764,278
New Century Middle School	17,416,930	17,416,930		2,611,930		14,805,000	
Southpoint Water Project	605,100	605,100			605,100		
Total	122,913,968	123,255,225	1,797,700	2,611,930	92,342,732	19,849,323	6,653,540

Potential Projects (1)		Est Costs					
Landfill Construction-New		5,844,229					
Detention Facility Expansion		10,754,413					
E. Newton Smith Center		unknown					
Pamalee Branch Library		7,542,992					
County Schools		118,348,900					
Total	-	136,646,305	-	-	-	-	-
	122,913,968	259,901,530	1,797,700	2,611,930	92,342,732	19,849,323	6,653,540

(1) Potential projects have not been approved; therefore, only an estimated cost is shown with no identified funding source. The addition to the current landfill is budgeted at \$655,771 for permitting costs. The remaining \$5,844,229 will be budgeted once bids are received and the actual cost is known and approved. The \$15,018,691 estimated Detention Facility Expansion project has been approved for initial engineering and design work of \$4,764,278. The remaining estimated \$10,254,413 cost will be budgeted once bids are received and the entire project is approved.

Item 5

Mental Health Issues

(No Backup Provided / Discussion Only)

a. Interlocal Agreement / Merger

b. Mental Health Clinic Services/ CFVHS

**County Manager will brief the Board on discussions
with Cape Fear Valley Health System**

Item 6

Funding for Non-Profits

Candice White

Subject: FW: Upcoming issues

From: Jimmy Keefe [<mailto:jkeefe@thetrophyhouseinc.com>]

Sent: Thursday, January 10, 2013 5:12 PM

To: James Martin

Cc: Candice White

Subject: Upcoming issues

James,

I would like to set up a conference with you to discuss some items that we will have to action in the next 60-90 days to get your perspective and plan a course:

1. Sales Tax Distribution(City was briefed. We need to verify that we agree with their numbers)
2. Mental Health Merger vs. LME
3. CIT Drop off and partnership with CFVHS
4. Plan for the lack of County Mental Health Physicians
5. Annexation Policy in Industrial Parks in non-incorporated areas.
6. Public School formula and funding
7. Whether we wish to participate in a Parks & Rec Package with or without the city
8. Brief overview of Budget
9. Capital Improvement plan-Just an overview.

10. Funding of Non-Profits.

- a. I would like for us to have a \$0 baseline and have interested agencies apply and present their audits, 990's, fund balance and specific uses of the requested funds.
- b. If we decide to phase out Nonprofits over the next few years, we could reduce the tax rate by at least .01.

I would like to have a brief discussion about each one of these issues prior to the BOC planning retreat. Some will be quick. I just want to get inside your brain on each of these issues so neither of us will be surprised at the planning retreat. I am going to be out of the state the last week in January, so meeting before then is optimal.

Thanks,

Jimmy Keefe
Chairman
Cumberland County Commissioners



Community Organizations

Organization	FY 2012 Adopted	FY 2013 Requested	FY 2013 Recommended	FY 2013 Adopted
Community Organizations				
Cape Fear Botanical Garden	6,642	8,000	6,642	6,642
Cape Fear Regional Bureau for Community Action	12,150	12,150	12,150	12,150
Child Advocacy Center	39,768	39,768	39,768	39,768
Contact	6,874	6,874	6,874	6,874
CC Veterans Council	1,000	1,000	1,000	1,000
HIV Task Force	5,978	5,978	5,978	5,978
Salvation Army/Seasonal	29,700	29,700	29,700	35,000
Salvation Army Christmas Outreach	6,277	6,277	6,277	0
Second Harvest Food Bank of Southeast NC	15,000	35,000	15,000	15,000
Teen Involvement Program	5,978	5,978	5,978	5,978
United Way - 211	0	5,500	5,500	5,500
	<u>129,367</u>	<u>156,225</u>	<u>134,867</u>	<u>133,890</u>
Quasigovernmental Organizations				
Arts Council	80,000	80,000	80,000	80,000
Airborne Special Operations Museum	200,000	200,000	200,000	200,000
BRAC Regional Alliance	20,500	35,000	35,000	35,000
Cape Fear River Assembly (previously funded by Mid Carolina)		11,674	11,674	11,674
Communicare	40,000	40,000	40,000	40,000
CC Coordinating Council on Older Adults/RSVP	93,004	105,489	105,489	105,489
Mid Carolina Council of Governments	189,554	208,536	195,746	195,746
In Home Aides (previously funded by DSS)		24,734	24,734	24,734
N.C. Division of Vocational Rehabilitation	59,214	63,276	63,276	63,276
N.C. Forest Service	122,200	135,596	135,596	135,596
SE NC Radio Reading	7,500	7,755	7,500	7,500
	<u>811,972</u>	<u>912,060</u>	<u>899,015</u>	<u>899,015</u>



Community Organizations

Organization	FY 2012 Adopted	FY 2013 Requested	FY 2013 Recommended	FY 2013 Adopted
One-Time and Limited-Time Funding				
Boys and Girls Club	0	22,012	0	10,000
Hope Mills Chamber of Commerce		50,000	0	35,000
Spring Lake Chamber of Commerce	35,000	35,000	0	35,000
T.J. Robinson Life Center		333,333	0	0
Cape Fear Botanical Garden-capital project	100,000	Term expired	0	0
	<u>135,000</u>	<u>440,345</u>	<u>0</u>	<u>80,000</u>
Economic Development				
Center for Economic Empowerment & Development	10,625	15,000	10,625	10,625
Fayetteville-Cumberland County Chamber of Commerce	410,000	410,000	410,000	410,000
Fay-Cumberland County Chamber Commerce- shell building	125,000	Sold	0	0
Southeastern Economic Development Commission	31,943	31,943	31,943	31,943
	<u>577,568</u>	<u>456,943</u>	<u>452,568</u>	<u>452,568</u>
Total all Organizations	<u>1,653,907</u>	<u>1,965,573</u>	<u>1,486,450</u>	<u>1,565,473</u>

JAMES E. MARTIN
County Manager

AMY H. CANNON
Deputy County Manager



JAMES LAWSON
Assistant County Manager

OFFICE OF THE COUNTY MANAGER

5th Floor, New Courthouse • PO Box 1829 • Suite 512, • Fayetteville, North Carolina 28302-1829
(910) 678-7723 / (910) 678-7726 • Fax (910) 678-7717

TO: AGENCIES REQUESTING FUNDS FROM CUMBERLAND COUNTY

FROM: JAMES E. MARTIN, COUNTY MANAGER

DATE: MARCH 13, 2012

SUBJECT: BUDGET REQUESTS FOR FISCAL YEAR 2013

*Last year's
budget request
documents send
to Non-Profit
JML*

Cumberland County is now accepting funding applications for fiscal year 2013. FY2013 appears to continue the series of challenging budget years. The County is successfully managing its budget during this prolonged period of economic instability; however, the State continues to experience many difficulties in resolving its budget issues. For FY2011, the State divested itself of the Child Support Enforcement program forcing Cumberland County to assume the program at a net cost of over one-million dollars. For FY2013, the State has mandated that our local Mental Health Department divest itself of all services by January 2013. Those services will now be contracted out. The cost to the County is unknown at this time. We anticipate the State will continue to look at ways to reduce its spending by cost shifting programs to local governmental units. Over the next few months, the finance department will look at department requests, state mandates and other factors as we develop a recommended budget that addresses the Cumberland County Board of Commissioners priorities and required services. We will evaluate all programs to determine how to allocate our limited resources in the best possible manner.

To increase accountability of taxpayer funds, use the following guidance based on expenditures for your entire organization not just county funding:

\$100,000+	complete audit by certified public accountant
\$25,000-\$99,999	financial compilation by accountant or certified public accountant
Less than \$25,000	complete in-house financial statements (may be done by outside source)
State Agencies	not required

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Please provide the following information with your request for funds for fiscal year 2013. In your request, It's mandatory that you specifically identify how county funds will be used. Requests are due in the budget office no later than *Friday, March 30, 2012*.

1. Budget Form "A" - Annual Budget Estimate - Revenues:

a. Specify organization name and the name and signature of person submitting request.

b. Identify all sources of revenue. Listed below are examples:

State	Federal	Contributions
Special Taxes	Fees/Scales	Interest Earned
Investments	Fund Balance	County of Cumberland
	City of Fayetteville	

c. Last Year: Enter actual revenue received from all sources for FY2011.

d. Current Year: Enter budgeted revenue, actual revenue received through 12/31/11, and an estimate of the total revenue to be received through June 30, 2012.

e. Coming year: Enter your total proposed revenue from all sources.

f. Enter the total for each column at the bottom. Ensure that your total revenue equals your total expense.

2. Budget Form "B" - Annual Budget Estimate - Expenses: This form is used to support your budget request by itemizing line items.

a. Specify organization name and the name and signature of person submitting request.

b. Last Year: Enter actual expense for each line item described for FY2011.

c. Current Year: Enter budgeted expense and an estimate of the total expense to be expended for FY2012 for each line item.

d. Coming year: Enter proposed expense for each line item. In the second column, allocate requested county revenue to applicable line items. County funded expenses should equal the amount of County dollars requested on Budget Form A.

e. Give detailed, but concise explanations for line items. Show any calculation(s) made and rationale used to arrive at the requested amount. If county funding is used to purchase equipment, please itemize.

f. Enter the total for each column at the bottom. The total expense budget should equal the total revenue budget.

3. Budget Form "C" - Statement of Service Report. This form is used to provide current year

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and estimated coming year service level information for your entire organization.

Specify organization name and the name and signature of person submitting request.

- a. Provide a brief synopsis of mission, goals and programs.
 - c. Current Year - Description of Current Services Provided: Include a detail of the services or programs to be provided during the current fiscal year.
 - d. Current Year – Unduplicated Clients Served through December 31, 2011: Provide the number of unduplicated clients served July 1, 2011 through December 31, 2011.
 - c. Coming Year - Description of Current Services to be Provided: Include a detail of the services or programs to be provided during the upcoming fiscal year.
 - e. Coming Year – Unduplicated Clients to be Served: Provide the number of unduplicated clients that will receive services during the upcoming year.
4. History of your organization. *If you currently have a contract with the county and there have been no changes to your history, it is not necessary to resubmit this item.*
 5. Articles of Incorporation showing recordation by the Cumberland County Register of Deeds and a copy of your bylaws. If you are a governmental agency, then provide a copy of either your charter or statute or other documentation authorizing your existence. *If you currently have a contract with the county and there have been no changes to your articles of incorporation or bylaws, it is not necessary to resubmit these items.*
 6. The Internal Revenue Service form showing your tax-exempt status. If you do not have tax-exempt status, please state that fact. If you are a governmental agency, so state. *If you currently have a contract with the county and there have been no changes to your tax-exempt status, it is not necessary to resubmit this item.*
 7. Current names, addresses, and telephone numbers of members of your governing body.
 8. Copy of all insurances policies that deal with workers' compensation, fidelity bonding, and public liability. The entire policy is not necessary, only that portion of the policy sufficient to identify the type of coverage, the amount, and the insurer. If you are a private agency, i.e., non-governmental, please obtain from your liability carrier a certificate of insurance showing the County of Cumberland as an additional insured on your public liability coverage.
 9. Your most recent financial audit or report. **Important, please also include a year-to-date statement of revenues and expenses.**
 10. A copy of your most recent contract for funds with the county, **revised** to insure that all

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information thereon is current. This revised and updated contract will be used as a basis for your new FY2013 contract with the county upon approval of your request for funds. Particular attention should be given to that portion of the contract dealing with the frequency and method of payment. In the event you have not had a contract with the county in the past, then indicate the requested frequency of payment. State whether you want to receive your payments from the county monthly, quarterly, or some other frequency.

11. State the name, address, and telephone number of the director, president, chief executive officer, or other person who will be ultimately responsible for the administration of the funds received from the county.

The enclosed budget forms are also available in Excel format. If you have questions or desire the Excel forms, please contact Kelly Autry in the Budget Office at 678-7749 or kautry@co.cumberland.nc.us.

cc: Board of County Commissioners

**COUNTY OF CUMBERLAND
ANNUAL BUDGET ESTIMATE - REVENUES
FISCAL YEAR 2013**

ORGANIZATION NAME: _____

SUBMITTED BY: _____

SIGNATURE: _____

Identify All Sources of Revenue	Last Year FY 2011	Current Year FY 2012			Coming Year FY 2013	
	Actual	Budget	Actual To 12/31/11	Estimate Entire Year	Proposed Budget	Comments
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	

**COUNTY OF CUMBERLAND
ANNUAL BUDGET ESTIMATE - EXPENSES
FISCAL YEAR 2013**

ORGANIZATION NAME: _____
SUBMITTED BY: _____

SIGNATURE: _____

Description	Last Year FY 2011	Current Year FY 2012		Coming Year FY 2013		
	Actual	Budget	Estimate Entire Year	Proposed Budget	County Funded Expenses	Show any calculations made and reasons used to arrive at the County requested funding. Be concise.
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	

**COUNTY OF CUMBERLAND
STATEMENT OF SERVICES
FISCAL YEAR 2013**

ORGANIZATION NAME: _____

SUBMITTED BY: _____

SIGNATURE: _____

BRIEF DESCRIPTION OF MISSION, GOALS AND PROGRAMS:

Current Year FY2012			Coming Year FY 2013		
Total Clients Served	Description of Current Services Provided	Unduplicated Clients Served Through 12/31/11	Total Clients	Description of Services to be Provided	Unduplicated Clients to be Served
TOTAL					

**CUMBERLAND COUNTY
OUTSIDE AGENCY-REIMBURSEMENT REPORT**

SERVICES TO BE PERFORMED AS PER CONTRACT	COUNTY BUDGET AMOUNT	SERVICES PERFORMED FOR THE CURRENT PERIOD _____ TO _____	SERVICES PERFORMED YEAR TO DATE _____ TO _____

Item 7

Annexation Policy in Industrial Parks

**County Manager will brief the Board
on current discussions with
Russ Rogerson (Economic Development Alliance),
City of Fayetteville and PWC Staff**



Cedar Creek Incentive

From: Russ Rogerson [<mailto:russ@thencalliance.com>]
Sent: Monday, February 04, 2013 2:25 PM
To: James Martin; Ted Voorhees; Kristoff Bauer; Steve Blanchard
Cc: Doug Peters
Subject: ED Confidential: Cedar Creek Incentives

Gentlemen,

Thank you for the effort and the spirit of cooperation regarding our discussion on an incentive agreement for the Cedar Creek Business Center. These discussions have brought us to a recommendation that I feel makes the industrial park extremely competitive in the market and is an important step towards attracting jobs and investment to our community.

Please see the attached document that I have prepared to assist us in delivering the message on the Cedar Creek Incentive. Also, I've attached the spreadsheet and map of the industrial park for reference when you have your discussions with elected officials. If you need any additional information from me, just let me know.

If you have any questions or ways to improve upon this communication effort, please just let me know.

Regards,
Russ



Cedar Creek Incentive

Problem Statement:

Cumberland County created the 474-acre Cedar Creek Business Center in 2002 with the intent to have a quality industrial park to supplement the Cumberland Industrial Center. The County made a major investment in land acquisition, infrastructure and planning/design.

Cedar Creek has sat vacant for the past 10 years. The park has been a certified site (however it has expired) and marketed by the appropriate economic development organization over the past years but still no land has been sold. One drawback has been the lack of three-phase electric service on-site.

A recent change in PWC policy that requires property that is “new service” for the water and sewer services to be annexed into the City of Fayetteville has created another challenge for the marketability of the industrial park.

It is clear that Fayetteville & Cumberland County need to diversify the economy to create a better balance of jobs and investment by working on its target sectors to attract businesses outside of the military or related sectors. Shovel-ready sites are a key component to this strategy.



Cedar Creek Incentive

Recommended Solution:

The newly formed Economic Development Alliance of Fayetteville & Cumberland County believes the Cedar Creek Business Center can be the flagship industrial park for the community and a class A industrial site if the following actions take place:

- Develop a Cedar Creek Business Center annexation agreement between the City and the County that clearly identifies a tax incentive program that would be advantages to the companies' that choose to locate in the industrial park.
- Aggressively pursue three-phase electric service on the property at no capital cost to the County or any company locating in the park.
- Re-certify the industrial park through the NC Department of Commerce.
- Develop and implement an aggressive marketing effort to make site selection professionals and companies' aware of the advantages of the industrial park.

For purposes of today's discussion, we will focus on the creation of an annexation agreement for the industrial park between the County and the City.



Cedar Creek Incentive

BUILDING COST:	\$	5,000,000	Land Value per Acre	\$25,000
EQUIPMENT COST:		3,000,000	TOTAL ACRES:	15
TOTAL INVESTMENT:	\$	8,000,000	TOTAL LAND VALUE:	\$375,000

Summary of Incentives

→ Yrs 1-10 Combined Ci/Co Txs \$956,800.
 Less: Incentive Below - 403,360.
Effective TX Rate 69.18% \$553,440.

→ Yrs 11-20 Combined Ci/Co Txs \$956,800.
 Less: Incentives - 0 -
Effective TX Rate \$1.196 \$956,800
Effective TX Rate For Yrs 1-20 = 94.39%

	COUNTY PORTION [\$0.7400]	CITY PORTION [\$0.4560]	TOTAL TAX VALUE COMBINED	TRADITIONAL INCENTIVE 50% 5YR	5 YR - 10 YR INCENTIVE CITY	5 YR - 10 YR INCENTIVE COUNTY	5 YR - 10 YR INCENTIVE TOTAL
YEAR 1	\$ 59,200	\$ 36,480	\$ 95,680	\$ 47,840	\$ 25,536	\$ 29,600	\$ 55,136
YEAR 2	59,200	36,480	95,680	47,840	25,536	29,600	55,136
YEAR 3	59,200	36,480	95,680	47,840	25,536	29,600	55,136
YEAR 4	59,200	36,480	95,680	47,840	25,536	29,600	55,136
YEAR 5	59,200	36,480	95,680	47,840	25,536	29,600	55,136
YEAR 6	59,200	36,480	95,680	-	25,536	-	25,536
YEAR 7	59,200	36,480	95,680	-	25,536	-	25,536
YEAR 8	59,200	36,480	95,680	-	25,536	-	25,536
YEAR 9	59,200	36,480	95,680	-	25,536	-	25,536
YEAR 10	59,200	36,480	95,680	-	25,536	-	25,536
YEAR 11	59,200	36,480	95,680	-	-	-	-
YEAR 12	59,200	36,480	95,680	-	-	-	-
YEAR 13	59,200	36,480	95,680	-	-	-	-
YEAR 14	59,200	36,480	95,680	-	-	-	-
YEAR 15	59,200	36,480	95,680	-	-	-	-
YEAR 16	59,200	36,480	95,680	-	-	-	-
YEAR 17	59,200	36,480	95,680	-	-	-	-
YEAR 18	59,200	36,480	95,680	-	-	-	-
YEAR 19	59,200	36,480	95,680	-	-	-	-
YEAR 20	59,200	36,480	95,680	-	-	-	-
	\$ 1,184,000	\$ 729,600	\$ 1,913,600	\$ 239,200	\$ 255,360	\$ 148,000	\$ 403,360

Item 8

NCACC Legislative Agenda Update

JIMMY KEEFE
Chairman



CANDICE WHITE
Clerk to the Board

JEANNETTE M. COUNCIL
Vice Chairman

KELLIE BEAM
Deputy Clerk

KENNETH S. EDGE
CHARLES E. EVANS
MARSHALL FAIRCLOTH
BILLY R. KING
EDWARD G. MELVIN



BOARD OF COMMISSIONERS

MEMORANDUM FOR BOARD OF COMMISSIONERS
STRATEGIC PLANNING RETREAT AGENDA
FEBRUARY 7, 2013

TO: BOARD OF COUNTY COMMISSIONERS

FROM: CANDICE H. WHITE, CLERK TO THE BOARD *cw*

DATE: FEBRUARY 1, 2013

SUBJECT: UPDATE ON NCACC LEGISLATIVE AGENDA

Attached is a copy of the 2013-14 Legislative Goals as adopted by the membership of the North Carolina Association of County Commissioners (NCACC) during the NCACC's Legislative Goals Conference January 24-25, 2013. A resolution for counties to adopt to show their support of the county agenda will be placed on your February 18, 2013 agenda.

Commissioner Kenneth Edge will provide an update on the NCACC's legislative agenda at your February 7, 2013 strategic planning retreat.



Top Five Goals for 2013-14

1. Oppose shift of state transportation responsibilities to counties
2. Reinstate ADM and lottery funds for school construction.
3. Oppose unfunded mandates and shifts of state responsibilities to counties.
4. Ensure adequate mental health funding.
5. Preserve the existing local revenue base.

Agriculture Legislative Goals

AG-1: Adequately fund agricultural research and extension services.

Support legislation to fund the agricultural and research extension offices through the University of North Carolina system, principally at N.C. State University and N.C. A&T State University. Extension offices are located throughout the state and facilitate programs that assist residents in a wide variety of programs focused on agricultural economic development. Adequate funding of these programs benefits the agriculture economy in every county.

AG-2: Support and promote conservation of working lands and farmland preservation.

Support legislation to promote and preserve working farmlands by including these lands in the state tourism plan, by retaining the current authority for the present use value system, by maintaining funding for the Ag Development and Farmland Preservation Trust, and by exploring the impacts of transfer of development rights.

Environment Legislative Goals

ENV-1: Restore state funding and responsibility for river basin monitoring, streamline rulemaking, and enhance regional cooperation.

Support legislation to enhance monitoring for all river basins in North Carolina and review the rule-making process to enhance regional cooperation. Increased monitoring would allow jurisdictions to better assess compliance with water quality rules and, over time, allow the Division of Water Quality to make better decisions regarding future promulgation of water-quality rule making.

Seek legislation to streamline local water supply reservoir permitting without sacrificing the scientific rigor of Environmental Impact Assessment and ensure adequate opportunities for public and local official comment. North Carolina is a fast-growing state that has already experienced drought-related challenges to its water supply, impacting both quantity and quality. It is likely that many new sources of drinking water will be needed to meet future demand, yet the timetable to bring a new water reservoir on line can take years, even decades, to satisfy all the environmental permitting requirements mandated by the state.

ENV-2: Eliminate requirement for a 10-year solid waste management plan and add a requirement in the Solid Waste Management and Facilities annual report for long-term planning.

Support legislation to eliminate the statutory provisions requiring units of local government to prepare 10-year solid waste management plans in order to simplify the process, reduce costs and produce results more relevant for local governments. Currently, a 10-year plan and any changes to it, including mandatory three-year updates, must often be approved by multiple units of government, even those that may not utilize local waste disposal facilities. The original and primary reason for requiring 10-year plans was to measure remaining landfill space to ensure future space availability. Other state rules require an annual survey of all landfill facilities to calculate remaining space and, with modern Geographical Information Systems, there is no need for the 10-year plan to duplicate this effort.

ENV-3: Authorize some county oversight of bio-solids application.

Support legislation that provides county governments some opportunity to regulate and/or have input into, but not prohibit, bio-solids application activities, including the acceptable “classes” of bio-solids for application and the prohibition of bio-solids application in certain environmentally sensitive areas such as critical watersheds. The appropriate application of bio-solids for agricultural use should be allowed with counties playing a role in the process.

ENV-4: Modify spray irrigation systems classification for volunteer fire departments.

Support legislation to change North Carolina Division of Water Quality (DWQ) wastewater system classification rules that currently classify a spray irrigation system such as one utilized by volunteer fire departments as “commercial.” When the flow generated by the system is domestic quality/non-industrial process wastewater, the system should be held to the same monitoring and testing standards as a residential wastewater system under DWQ jurisdiction. In the alternative, volunteer fire departments should also be excluded entirely from the “commercial” classification. The annual inspections and testing costs associated with a “commercial” designation for a spray irrigation system serving a volunteer fire department can be several thousands of dollars. Accounting for the type of flow actually treated by a system rather than assigning a blanket “commercial” designation to the system would significantly reduce volunteer the annual costs for fire departments across the state, saving taxpayer dollars supporting these services.

ENV-5: Monitor and protect counties from negative fiscal and environmental impacts caused by natural resource extraction and oppose removal of Virginia's ban on uranium mining.

Support state legislative and regulatory actions to protect county budgets and services from any negative impacts resulting from natural resource extraction. The state is moving forward in exploring new means of, and additional locations for, natural gas extraction. Such activities have the potential to affect county government operations and quality of life in impacted areas, and therefore could increase county service costs.

Health & Human Services Legislative Goals

HHS-1: Ensure adequate mental health funding.

Seek legislation to ensure that state-funded mental health, developmental disability, and substance abuse services are available, accessible and affordable to all residents and that sufficient state resources fund service provision costs inclusive of sufficient crisis beds and supportive housing. While North Carolina counties largely fund social services administration and health services, the state has been traditionally responsible for mental health expenses. The state is undertaking a massive restructuring of community mental health services, converting and merging existing local management entities into managed care organizations charged with overseeing a capitated model of funding. State budget cuts and federal policy changes have reduced statewide resources to support crisis services, chronic mental health management, and state psychiatric hospital capacity. Policy changes have shifted public guardianship responsibilities from LMEs to county social services staff.

The state has purchased local hospital beds set aside for the mentally ill, but additional funding is needed for increased bed capacity. Recent federal action to relocate adult care home residents suffering from mental illness to community-based housing will require increased and sustained state funding to build local supportive housing resources and wrap-around services.

HHS-2: Retain county management of nonemergency Medicaid transport.

Seek legislation that allows counties to retain the management and coordination of Medicaid nonemergency medical transportation services. A special provision in the 2013 State Appropriations Act directed the N.C. Department of Health and Human Services to develop and issue a request for proposals to privatize the management of nonemergency medical transportation services for Medicaid recipients. A statewide transportation management brokerage firm could remove all coordination efforts currently in place to share transportation services costs amongst funding sources.

North Carolina is recognized nationally for its coordinated system of community human services transit systems. Largely managed by professional transit administrators under the oversight of county management, these coordinated systems provide efficient trip scheduling and travel for an array of human services clients including veterans, elderly citizens, children in daycare, and Medicaid recipients. Shared trips to the same geographic area equate to shared costs among the clientele, with cost efficiencies evidenced by North Carolina's cost-effective per member per month (pmpm) cost of \$2.45. Other states have pmpm costs averaging \$6 and above.

HHS-3: Preserve federal block grants and state aid to counties for county-administered programs and oppose unfunded workload mandates.

Seek legislation and monitor state budget activities to ensure that federal block grant and state aid to counties funds, traditionally used to support county-administered social and health services, are not redirected to offset state administrative expenses. Support human services administrative simplification efforts and resist changes in state policies and procedures that add to county administrative costs.

Counties have already experienced an annual loss of \$36 million in federal welfare reform funds and looming federal deficit reduction measures are likely to compound these losses for health, social services, and mental health programs. The state has eliminated its \$5.4 million annual appropriation in state aid to counties for social services, although some state aid dollars remain

for county health expenses. The state has backfilled state budget cuts in childcare and other human services programs with federal dollars once designated for direct county programs. County budgets must be protected as the state continues to grapple with anemic revenue growth, and as fewer federal dollars are made available for community-based human services.

HHS-4: Restore local autonomy to LME/MCO governance structure.

Seek legislation to restore local autonomy to LME/MCO governance structure, to ensure that each county be allowed to appoint, at a minimum, one county commissioner to its local LME/MCO Board. S191, enacted in the 2012 legislative session, sets maximum size limitations of 21 members on LME/MCO boards, and stipulates board membership composition for 10 of these members to specific consumer, health, insurance and finance disciplines. Counties participating in an LME/MCO with at least 12 county members cannot be assured of appointing one of its county commissioners to represent its interests and that of its constituents on the LME/MCO governance board. LME/MCOs with population catchment areas of 1.25 million or more are exempt from these limitations.

HHS-5: Oppose weakening of smoke-free restaurant and bars law.

Oppose any bill or amendment that weakens current statutory regulations requiring smoke-free restaurants and bars. The 2004 General Assembly enacted a comprehensive ban on smoking in all restaurants and bars and set up a regulatory framework to ensure compliance with the smoke-free requirements.

HHS-6: Increase Nursing Home Community Advisory Committee membership flexibility.

Seek legislation to provide greater flexibility in the membership of Nursing Home Community Advisory Committees. Per G.S. 131E-128, every county having a nursing home within its boundaries must establish a nursing home advisory committee to monitor nursing home care and resolve grievances of nursing home residents. As a part of its monitoring responsibilities, each advisory committee must visit each nursing home within its jurisdiction at least four times per year. Counties with four or more nursing homes must appoint NHCA subcommittees to manage this on-site workload. Advisory committees and subcommittees cannot include any members who are persons or family members with a financial interest in a home served by the committee, an employee or governing board member of such a home, or an immediate family member of a nursing home resident. These exclusions limit the number of interested parties wishing to serve on an NHCA, and counties throughout the state are having difficulty identifying persons to serve on these committees.

HHS-7: Increase childcare subsidies to reduce waiting lists and support funding for Smart Start and NC Pre-K.

Support an increase in childcare subsidies to ensure access to affordable childcare and support funding for early childhood and pre-kindergarten programs. Continuing state budget challenges have diminished state resources to backfill one-time federal dollars for childcare expenses and offset state cuts in childcare subsidies Smart Start and N.C. Pre-K. As of July 2012, nearly 37,500 children were waiting for childcare services, likely preventing their parents from remaining in, or joining, the workforce. Smart Start and N.C. Pre-K faced 20 percent state budget cuts in 2011, despite continued growth in the Pre-K population.

HHS-8: Increase Medicaid rates to cover costs.

Support a rate increase for Medicaid services to at least cover cost of service. In an effort to curb Medicaid costs, legislative actions over the past 10 years routinely show a Medicaid service-provider rate reduction or a reduction in the inflationary increases for reimbursement rates, increases to keep pace with medical inflation. Despite a 50 percent plus increase in Medicaid clients, fewer physicians are choosing to treat Medicaid clients given lower reimbursement rates than that offered under private insurance plans.

HHS-9: Support an increase in food and lodging inspection fees to cover costs.

Seek legislation to increase food and lodging inspection fees or authorize county governments to charge cost-based fees for restaurant and facility inspections. Unlike other inspection fees such as building inspections fees that can be set to recover costs, food and lodging inspection fees are set statutorily and do not reflect county costs of inspections operations and administration. The state collects the current fee, which is set at \$75 per annual business inspection, and returns 66 percent of these revenues to the county of origin. Not only is this fee well below actual inspections costs, no additional fees are permitted should county inspectors need to revisit an individual business multiple times to ensure compliance with health and safety regulations.

HHS-10: Restore state funding of public health accreditation.

Seek legislation to restore state funding for the state-mandated accreditation program for county public health departments. G.S. 130A-34.1 requires all local public health departments to obtain and maintain accreditation, which examines a local health department's capacity to provide essential public health services, its facilities and administration, its staffs' competencies and training procedures or programs and its governance and fiscal management. The process includes a self-assessment, a site visit by a team of experts to clarify, verify, and amplify the information in the self-assessment and accreditation approval by the Local Health Department Accreditation Board, which is housed and staffed by UNC's Institute for Public Health. Failure to obtain and maintain accreditation by July 1, 2014, will jeopardize state and federal funding for public health services. The 2012 State Appropriations Act eliminated the \$300,000 in recurring funding to support UNC administration of the public health accreditation program.

Intergovernmental Relations Legislative Goals

IGR-1: Oppose any shift of state transportation responsibilities to counties.

Oppose legislation to shift the state's responsibility for funding transportation construction and maintenance projects to counties. Counties cannot afford to assume costs for maintaining secondary roads and/or funding expansion projects. Unlike counties in other states, whose traditional funding responsibilities are secondary roads, North Carolina counties are responsible for the administration of local human services programs, and fund educational operating and capital expenses. The NCACC estimates that a transfer of secondary road maintenance responsibilities would cost counties more than \$500 million annually. Some of the more rural counties would have to increase property taxes by as much as 30 cents to generate the amount of revenue needed to maintain the same level of service.

IGR-2: Allow more cost effective methods for second primary elections.

Support legislation to authorize alternatives to second primary elections that minimize excessive costs while protecting the integrity of the electoral process. The costs for second primary elections can be very high, especially when compared to voter turnout. New and expanded alternatives, similar to one-stop voting or limited early voting sites and schedules, should be explored and piloted for second primaries and run-off elections.

IGR-3: Maintain current requirements for county commission approval of Extraterritorial Jurisdictions (ETJ) designations and expansions.

Support legislation that maintains the current requirements for county approval of ETJ changes. With recently enacted changes to the annexation laws, ETJ will certainly be a focus of planning and growth. In certain jurisdictions with higher populations, current law calls for Board of County Commissioner approval for ETJs beyond any one-mile expansion. Counties would like to maintain that level of input and make sure that the county voice is included in further ETJ expansion.

IGR-4: Implement combined motor vehicle registration and property tax collection system by July 1, 2013.

Support legislation to ensure that the combined motor vehicle registration and property tax collection system be implemented by its statutory deadline of July 1, 2013. In 2005, the NCACC included this issue in our legislative goals and supported its passage. Implementation of the combined motor vehicle registration/property tax system has been delayed several times given the complex automation systems needed for operations, but the program is still important to county governments. North Carolina is the only state that continues to collect motor vehicle property taxes in arrears of license plate registration and renewal. Property tax collection rates for motor vehicles alone are 10 percentage points below that of all other property. It is estimated that once this system is up and running, counties will reap more than \$50 million annually in currently uncollected property taxes on motor vehicles.

IGR-5: Allow county participation in the State Health Plan.

Support continued legislative action aimed at allowing optional participation by counties in the State Health Plan (SHP). Proposed language would allow counties to participate on a short-term basis in order for the State to determine the impacts from the Federal Affordable Health Care Act.

IGR-6: Support legislation to grant counties the option to provide notice of public hearings and other legal notices through electronic means in lieu of required publication in any newspaper.

Seek legislation to provide counties with options for notice of public hearings, notice of delinquent taxpayers, and other legal notices, through electronic means. Current statutes require counties to purchase expensive ads in local newspapers when announcing various public hearings, meetings or other items. With many more citizens now getting their news online instead of from traditional newspapers, allowing counties to post these notices on their county-owned Web sites will save taxpayers money and make it easier on taxpayers to find the information at their demand.

IGR-7: Increase informal let bid threshold for NCDOT local projects.

Support legislation that increases the informal bid limit of \$1.2 million for NCDOT projects. Current law permits local NCDOT divisions to approve projects that are less than \$1.2 million in scope instead of completing the more lengthy and cumbersome formal bidding process. Board of Transportation approval is still required, but this informal bid limit does help to streamline and expedite the building process. The \$1.2 million cap was established several years ago and has not been adjusted to compensate for increased construction costs involved in road construction.

IGR-8: Oppose collective bargaining for public employees.

Oppose legislation to authorize local governments to enter into collective bargaining agreements with public employees, or to mandate dues check-off programs. Salaries and benefits for public sector employees remain strong in North Carolina because different jurisdictions are competing over the same highly skilled and specialized employees, such as police, firefighters, emergency medical personnel and public school teachers. Lifting the state's ban on collective bargaining would require every county in the state to negotiate for salaries and benefits with groups representing local teachers, firefighters, sheriff's deputies, EMS employees and others that are unionized. Collective bargaining for public employees would neither improve county government efficiency nor result in improved services to citizens. The likelihood is that collective bargaining would increase operational costs for county governments, would create an adversarial relationship between management and employees, and would create two classes of employees – those in unions and those not in unions.

IGR-9: Support maintaining local control of the NC ABC System and preservation of local ABC revenues.

Support legislation to protect local control of the local ABC system, including all local revenue streams generated through local ABC store operations. Given the state's dire budget situation, legislative leaders have considered privatizing all or parts of the state's system of alcoholic beverage control to generate significant amounts of cash in the short term. Many counties recognize ABC revenues in their budgets. The loss of these revenues would create holes in county budgets. In addition, cities and counties are better suited to make decisions about alcoholic beverage distribution, including where to locate stores and whether to merge with other systems.

IGR-10: Support release of Help America Vote Act (HAVA) funds to assist counties with election costs.

Support legislation that provides the state maintenance-of-effort match to draw down the \$4 million in remaining federal HAVA funds. Counties use various county, state, and federal funds to operate election services. Taking advantage of Help America Vote Act (HAVA) funds would be very beneficial to ease funding pressures at the county level.

Justice & Public Safety Legislative Goals

JPS-1: Seek legislation to limit the amount that providers can charge counties for inmate medical care to no more than what is allowed by the Department of Correction.

Seek legislation that would authorize medical care providers to charge counties for inmate medical services at a rate not to exceed the rates paid by the State Department of Public Safety to inmate medical providers. Counties are responsible for medical costs when inmates are incarcerated in county jails, and counties often pay full, non-negotiated rates for inmate medical care, resulting in great expense to counties. State reimbursement rates have been capped in recent state budget provisions, and counties seek the same cap on inmate medical expenses to save taxpayer dollars on these costs.

JPS-2: Seek legislation to expand county governments' use of 911 funds, protect and enhance current funding streams and maintain full operational flexibility and autonomy.

Seek legislation to protect and enhance current e911 funding streams, as well as increase flexibility in use of those funds for the betterment of county 911 systems. Significant strides were made in 2010 to revamp 911 laws and give counties greater flexibility in utilizing 911 funds. At the same time, the 911 Board was directed to adopt a funding model and standards. Counties have expressed concern about decisions made at the Board level related to the funding model, as well as the adoption of certain standards that would have negative economic impacts on county 911 systems.

JPS-3: Oppose legislation that would limit a county's ability to operate a pretrial release program.

Oppose legislation that would limit counties from operating pretrial programs. Such limitations would result in increased costs to counties and put additional burdens on county jails. Counties throughout the state operate pretrial programs that help to evaluate individuals awaiting trial in county jails. These programs assist the judicial system in determining if those individuals can safely be released, saving taxpayer dollars and saving space in county jails. In addition, many pretrial programs offer needed services to individuals awaiting trial in an effort to reduce recidivism rates.

JPS-4: Support legislation to fully fund the Justice Reinvestment Act of 2011.

Support increased funding for the Justice Reinvestment Act Initiatives. Last session, lawmakers approved a budget that fell short of fully funding the initiatives included in the legislation. Policies in the comprehensive criminal justice bill include new tools for probation officers to hold offenders accountable, longer sentences for individuals with repeat breaking and entering offenses, and increased funding for drug treatment programs in prison and in the community. Without adequate funding, the programs will not achieve the desired goals.

JPS-5: Provide greater funding of state crime labs.

Support legislation to increase state funding for state crime lab operations. Court officials throughout the state have noted that North Carolina's State Crime Laboratory now has fewer resources, money and personnel than in past years. That situation greatly impacts court proceedings by causing defendants and prosecutors to often wait a year or more for results. Without a substantive increase in funding for the lab, criminal court proceedings across the state

will continue to lag. These delays can cause overcrowding in county jails and the need for additional county resources as individuals await trial.

JPS-6: Preserve current county authority for local electronic offender monitoring.

Support legislation to maintain county authority for electronic monitoring. In 2011, a bill was passed authorizing counties to collect a fee from individuals ordered to be placed on electronic monitoring as a condition of the offender's bond or pretrial release. Utilization of electronic monitoring helps with county jail overcrowding and also reduces the amount of taxpayer dollars needed for incarceration. The fee allowed by law is capped and cannot be collected from those entitled to court-appointed counsel. Counties want to ensure that the authority for this fee is preserved.

JPS-7: Provide funding for gang prevention, adolescent substance abuse and domestic violence prevention, intervention and treatment.

Support legislation to provide state funding for gang prevention, adolescent substance abuse and domestic violence prevention, intervention and treatment. In past budget years, the state budget has included funds for these critical programs. These programs pay dividends because they help reduce criminal activity. Failure to fund these types of programs will result in significantly higher costs to the legal system.

JPS-8: Request the reduction of detention center space requirements in existing and new detention center facilities in all counties in North Carolina, consistent with the language in N.C. G.S. 153A-221.

Seek legislation to provide all counties with the authority to house 64 inmates in each county detention dormitory, as permitted for counties with populations in excess of 300,000. Counties with populations of less than 300,000 can only house up to 56 inmates in each dormitory. The same minimum space requirements still apply to these additional inmates. Allowing all counties to have this same authority will make the law consistent for all 100 counties and allow for cost-savings when constructing new jail facilities.

JPS-9: Restore state funding for Drug Treatment Court (added at Legislative Goals Conference).

Seek legislation to restore funding to Drug Treatment Courts in North Carolina. In 2011, the General Assembly eliminated all state funding for Drug Treatment Courts. These courts were created by the General Assembly in 1995 and have been utilized across the state to address substance abuse issues in the criminal justice system, reduce alcohol and drug-related caseloads, and promote effective use of resources for substance abuse treatment. Without funding for these courts, many counties have lost a valuable resource for managing judicial caseloads and addressing substance abuse issues.

Public Education Legislative Goals

PE-1: Reinstate ADM and lottery funds for school construction.

Seek legislation to fully reinstate the Average Daily Membership funds and Lottery proceeds to the Public School Building Capital Fund. The Public School Building Capital Fund is housed in the N.C. Department of Public Instruction and is comprised of two sources of revenue: a set-aside from the corporate income tax, known as the ADM fund, which is allotted based on average daily membership (ADM) in each county; and 40 percent of the net proceeds from the N.C. Education lottery. Counties have relied on these funds to repay debt service for public school construction and renovation.

Since 2009, the General Assembly has redirected the ADM Fund's corporate income tax proceeds to offset state dollars for public school operations, costing counties from \$50 to \$100 million each year. Since 2010, the legislature has set the county lottery appropriation below the statutory 40 percent of net lottery proceeds, with the 2012 allocation appropriated at \$100 million or 22.7 percent of expected net proceeds. The total loss for the past two biennia amount to nearly half a billion dollars in school construction funds. Counties are forced to delay school construction projects, use their emergency fund balances to make up the debt service losses, or reduce funding for other essential services.

PE-2: Maintain state responsibility for replacement and risk management exposures for operation of school buses.

Seek legislation to ensure that the state retains responsibility for the purchase, repair and replacement of school buses, and to preserve state insurance coverage under the State Tort Claims Act for school bus accidents and other school bus risk management exposures. North Carolina counties are financially responsible for the initial purchase of new school buses, either to service new schools or new routes. Since the 1930s and per G.S. 115C-240(e)(f), the state is financially responsible for school bus replacement, generally based on mileage (250,000 miles) or age (20 years or older). The state's tort claims act has traditionally covered school bus driver negligence. In 2011, in an effort to manage growing state budget deficits, Governor Bev Perdue proposed shifting school bus replacement and tort claim coverage to counties, costing counties \$57 million and \$4.6 million, respectively, for these new responsibilities. While the House rejected these proposals outright, the Senate initially considered the school bus cost shift to counties. The adopted budget retained state responsibility for both school bus replacement and school bus risk management exposure.

PE-3: Provide sufficient funds for community college workforce training programs.

Support legislation to restore and maintain state funding for workforce development training and programs through the community college system. State budget cuts over the past two biennia have reduced community college funding for classroom operations by \$83 million. New tuition fee increases have helped minimize the impact of these losses, and several new programs such as non-recurring funds for N.C. Back to Work, a \$5 million retaining program for long-term unemployed, have been authorized. Continuing and increased state investments are needed to provide community colleges with 21st century equipment to support training that leads to third party credentials in career areas such as advanced manufacturing and STEM (science, technology, engineering and math).

PE-4: Restore local control of school calendar.

Support legislation to restore control of the local school calendar to local boards of education. The General Assembly enacted H1464 in 2004, which restricted a local board of education's ability to open schools prior to Aug. 25 or to close schools prior to June 10. It is believed that the Legislature was reacting to concerns by resort communities regarding earlier school openings, which in turn shortened the summer vacation season and reduced the teen labor force for the service industries. The State Board of Education was authorized to grant waivers based on the number of weather-related closures historically experienced or for good cause based on educational purposes. In 2012, the General Assembly further restricted LEA school calendar control, by eliminating start/end date waivers based on educational purposes.

PE-5: Authorize the option for counties to acquire, own and construct traditional public school sites and facilities. (added at Legislative Goals Conference).

Support legislation to authorize counties the option to acquire, own and construct traditional public school sites and facilities. N.C. counties are statutorily responsible for funding the construction, renovation, and maintenance of all school facilities, but schools retain title and ownership of school facilities. This divergence of funding versus ownership requires administrative work-arounds to obtain sales tax refunds on school construction materials and results in an imbalance of liabilities to assets, as county-issued school debt shows as a liability on the county's financial statement, while the building increases the LEA's assets.

Tax & Finance Legislative Goals

TF-1: Preserve the existing local revenue base.

Support legislation that recognizes the importance of county revenues and ensures that the existing tax base is maintained and preserved. During the current recession, one of the means used by the General Assembly to balance the state budget has been to shift some local funds to state use and make cuts in some county programs. For example, in 2009-10, the General Assembly diverted to the state's general fund the portion of the Corporate Income Tax that was dedicated to school construction, costing counties approximately \$200 million for the biennium. For 2010-11, the General Assembly reduced the county share of lottery proceeds by \$63 million. Counties also saw numerous state cuts to county programs approaching \$75 million in 2009-10 alone. Counties face similar revenue declines as that experienced by the state and cannot afford to sacrifice any additional revenues to the state.

TF-2: Oppose unfunded mandates and shifts of state responsibilities to counties.

Oppose legislation that establishes new or expanded state mandates without a commensurate increase in state resources to support service provision. A continuing difficult state financial status may increase the likelihood of attempts to balance the state budget by shifting more responsibilities to counties without corresponding funds.

TF-3: Authorize local revenue options.

Seek legislation to allow all counties to enact by resolution or, at the option of the Board of Commissioners, by voter referendum, any or all revenue options from among those that have been authorized for any other county. Several counties have access to certain revenues, such as prepared meals taxes, occupancy taxes, and land transfer taxes, that are not available to other

counties. Granting counties the authority to implement these revenue options would lessen the reliance on property tax and give counties more flexibility in designing a revenue system that reflects their community's preferences and is best suited for their tax base.

TF-4: Protect county revenues in tax reform consideration.

Support legislation that recognizes the importance of county revenues and secures existing county resources as the state considers tax reform strategies. The General Assembly will be considering comprehensive tax reform this legislative session. Specifics of these changes to tax statutes are uncertain and likely to be fluid throughout the session. County revenues should be protected in any final outcome.

TF-5: Repeal moratorium on contingency fee audits.

Seek legislation to repeal the moratorium on contingency fee tax audits beginning July 1, 2013. Allow counties the flexibility to contract for tax audit services by fee-based or contingency-based arrangements. If a repeal of the moratorium is unviable, work with the state Department of Revenue on alternative solutions.

TF-6: Improve and maintain incentive programs, workforce development and job creation programs, NC's tax credit programs, and increase access to tax credit financing for smaller economic development projects.

Support legislation to defend and maintain the state's tax credit programs to help stimulate economic development activity in rural and economically distressed counties. In an era of fiscal constraint and economic challenges, North Carolina's legislators may be tempted to terminate the state's tax credit programs in an effort to increase tax revenues. However, these programs – including Historic Preservation Tax Credits, the Renewable Energy Tax Credits, and the Article 3J Tax Credits – stimulate investment and business growth that otherwise might not take place in our state. These tools are particularly important to stimulating economic development in rural and Tier One counties.

Support legislation to improve access to tax credit financing for smaller economic development projects. In order to finance commercial projects, businesses frequently benefit from being able to attract investors who can utilize the tax credits generated by the project to offset their own tax liabilities. However, it is difficult for small business owners to identify investors who may be interested in their tax credits, and it is often prohibitively complicated and costly to broker tax credit finance deals. Furthermore, tax credit investors are typically only interested in multi-million dollar projects – a threshold that excludes many potentially eligible economic development projects, especially in small rural counties. As a result, many tax credit-eligible projects do not move forward because they are not able to access the potential equity generated by their tax credits. The Legislature could help make this process less complicated and more accessible to small businesses by: 1) enabling the “bundling” of multiple smaller projects into projects that are large enough to attract investors; 2) establishing a central tax credit “exchange” that brings tax credit-eligible projects together with potential investors; and 3) supporting increased technical assistance and training in the utilization of tax credits.

TF-7: Explore and authorize use of alternate, sustainable revenue options and funding sources for beach, inlet and waterway maintenance.

Support legislation to explore and authorize use of alternate, sustainable revenue options or funding sources like licenses, taxes and/or fees for beach, inlet and waterway maintenance (as proposed via 2009 CRC and CRAC resolution for Trust Fund; Senate DRS85164-SB-12 Beach Management Study Commission Section 2.2 (3) Trust Fund, 2012 Session H1181 Study Municipal Local Option Sales Tax, and 2004 Session H142 Dare County Sale Tax).

TF-8: Replace current non-profit sales tax refund process with a revenue-neutral exemption.
Support legislation to eliminate the requirement for tax-exempt non-profit corporations to pay sales tax. The current burdensome process, which requires the eligible non-profits to pay sales taxes and then seek a refund from the State has resulted in significant negative impacts upon county budgets. Sales tax revenues received by the local governments that include payments from tax-exempt corporations overstate the amount of funding actually available to the local government, and state audit adjustments result in unpredictable repayment obligations over which the local government has no control.

TF-9: Replace current refund sales tax process for public institutions with a revenue-neutral exemption.
Seek legislation that streamlines the sales tax refund regulatory process by exempting public institutions (counties, cities, school boards, community colleges, local utility authorities, etc.) from payment of state and local sales taxes on purchases within the state and thereby diminish the administrative burden on the local and state level to pursue/account for/recoup sales tax proceeds.

TF-10: Extend Article 44 hold harmless.
Seek legislation that extends hold harmless payments for local governments whose expected Article 44 receipts do not replace their repealed state reimbursements. The 2004 Appropriations Act (H1414) amended G.S. 105-521 by guaranteeing hold harmless payments through 2012 for local governments. The 2012-13 payment is scheduled to be the last unless additional legislation is passed. The Article 44 hold harmless payments are approximately \$15 million, and these funds are an important source of revenue for the economically distressed counties and municipalities that receive them.

TF-11: Allow counties to provide triple credit toward renewable energy portfolios.
Support legislation similar to legislation passed in 2010 (Cleanfields of 2010) to allow counties to provide triple credit toward renewable energy portfolios.

TF-12: Authorize greater county oversight of legal electronic gaming operations and support legislation to authorize counties to levy privilege license taxes on these operations.
Support legislation to authorize counties to levy privilege license taxes on internet sweepstakes businesses. Counties do not have the same authority as municipalities to levy a privilege license tax on video sweepstakes businesses, and this disparity may create an incentive for such businesses to locate in rural areas outside the corporate limits of municipalities. Seek legislation similar to H1180 from the 2011-12 session that would give counties and municipalities the same authority to levy privilege license taxes on internet sweepstakes businesses in order to discourage the proliferation of those businesses in rural areas outside corporate limits.

TF-13: Promote county property tax system modernization.

Seek legislation that enhances the county property tax system through effective modernization strategies.

TF-14: Authorize design build option for all counties.

Seek legislation to authorize for all counties the option of using the "Design Build" process to construct and/or renovate public facilities. A number of counties in North Carolina have special legislation allowing the "Design Build" method, which allows the bidding of design and construction of a project in the same package, often resulting in cost and time savings. The "Design Build" option should be made available as an alternative process for construction/renovation of county facilities and schools statewide.

TF-15: Require payment of property taxes on manufactured homes and other titled properties before transfer of title.

Seek legislation to require that all taxes levied on manufactured homes be paid before the home may be moved, repossessed or sold on site. County property tax collection efforts for delinquent taxes on manufactured homes are often hampered by ownership and location transfers.

TF-16: Clarify centralized listing and assessing of cellular and cable companies.

Seek legislation to implement the central listing and assessment of cellular and cable companies. The Department of Revenue's Local Government Division would manage the listing and assessment process, similar to its assessment of other utilities such as telephone, power and railroad. DoR supports this change.

TF-17: Support local county law enforcement and rehabilitation services through an increase in the beer and wine tax revenues.

Support an increase in the excise tax on beer and wine by 10 cents or 20 cents with the total increased amount distributed to counties. For each 10 cent increase, 7 cents would be dedicated to law enforcement and 3 cents would be dedicated to rehabilitation purposes.

TF-18: Preserve scrap tire disposal tax proceeds.

Oppose the use of Scrap Tire Disposal Tax Proceeds for other than what is allowed by current statute (G.S. 105-187.19).

TF-19: Compensate counties for property acquired by the state and removed from the ad valorem tax base.

Develop state Payment in Lieu of Taxes (PILT) for game lands or other revenue sharing in lieu of taxes on state-owned wildlife/gamelands. Large portions of some counties are not subject to property taxes because they are owned by the State. Most of these lands are wildlife or game lands. In addition, the state continues to buy land using conservation funds. The lands purchased are already being used for agriculture or timber and therefore require a low level of service. Although transferring the lands to state control does not affect the levels of service provided by counties, it does force the tax burden onto a smaller population.

Item 9

Additional Topics

(No Backup Provided / Discussion Only)

County Manager's Update – James Martin

**County Manager will brief the Board
on the following topics:**

Funding and Budget Overview

Insurance

Jail Expansion

Phase II Salary Study

Other Matters



FY2014 Budget Considerations

- Detention Center Addition
 - Additional operating \$520,815
 - 36 new positions + annualizing current \$3,308,512
 - Total \$3,829,327
- Health insurance \$1,800,000
- Regular retirement + LEO \$316,787
- Technology upgrades
- Phase II salary study
- Mental Health Clinic
- Vehicles
- New positions/Public Health

Wrap Up/Discussion of Priorities

(No Backup Provided / Discussion Only)