FINANCE COMMITTEE MEETING
THURSDAY, NOVEMBER 2, 1995, 8:00 AM
ROOM 564, COUNTY COURTHOUSE

Present: Marshall Faircloth
Lee Warren

Absent: Billy King

Others: Cliff Strassenburg, County Manager
James Martin, Deputy County Manager
Carlisle McCutcheon, Finance Director
Brenda Foreman, Sr. Staff Attorney (Arrived 8:20 AM)
Rhonda R. Davis, Deputy Clerk

The meeting was duly called to order.

1. Review of Fixed Assets Procedure.

Carlisle McCutcheon presented a proposed Fixed Assets Procedure as requested by the Finance Committee during the October 10, 1995 meeting (Procedure is attached as Exhibit "A"). He stated he would like to have this procedure approved by the Board of Commissioners due to the part of the procedure that deals with accountability by County Department Heads for equipment. He then reviewed the survey of counties pertaining to fixed assets expenditures per item for capitalization. With the proposed change, the County would be following the same capitalization rate as the State. If the State increases their amount, he would consider proposing that the County raise it's rate as well. He noted all weapons, no matter what the cost, will be accounted for.

Commissioner Warren asked if Stun Guns would be included.

Mr. McCutcheon advised Stun Guns would be included in the weapons category. There will also be a provision where the Internal Auditors will be checking with County departments to make sure Department Heads have a procedure in place to account for fixed assets.

MOTION: **Commissioner Warren offered a motion to approve the Fixed Assets Procedure and recommend it for approval by the full Board of Commissioners.**
SECOND: **Commissioner Faircloth**
VOTE: **UNANIMOUS**

Mr. McCutcheon noted the procedure will take affect July 1, 1996.

Mr. Strassenburg then presented a draft of the Request for Proposals for Financial Advisor Services (Attached as Exhibit "B"). Procedurally, he, Mr. Martin and Mr. McCutcheon would review the responses to the RFP. Then, the Finance Committee would interview the most qualified applicants and make a recommendation to the full Board of Commissioners. He will send out the RFPs the first of next week and hope to get the Advisor on board by the middle of December, 1995. He noted the Advisory used by the County for the Civic Center project has been a great asset. The County really needs someone on board to give assistance who isn't making money on the deal. He asked the committee members to review the draft RFP and advise him of their thoughts.

Commissioner Warren asked if the County purchases a building for the Day Reporting Center, will there be a lesser need to provide additional space for the court system?

Mr. Strassenburg advised even if the Probation offices moved out of the Courthouse, there will still be a need for space, as the Board of Elections and Personnel departments would utilize the vacated space. The benefit from the Probation offices moving to another location will be the additional parking spaces that will become available.

Commissioner Faircloth advised he would like all the Commissioners to receive a copy of the draft of the RFP for Financial Advisor Services and a memorandum noting it will be mailed the first of next week and asking for any responses they may have. He would like to keep everyone informed.

Mr. Strassenburg then advised they are in the process of reviewing appeals to the meals tax with respect to penalties. The administrative guidelines set up an appeals panel. He, Mr. Martin, Mr. McCutcheon and Mrs. Faye Parrish would review these appeals and make recommendations to the Board of Commissioners.

There are two items they have discovered since beginning the appeals process, that need consideration:

1. The ordinance and act excludes any meals service on a military reservation. There are franchises such as "Burger King", "Hardees", etc. on Fort Bragg that are subject to the sales tax. He feels as a matter of equity, there should be a change in the law making any business on Fort Bragg that is subject to the sales tax, be subject to the meals tax. He would like the committee to consider this issue and whether or not it should be taken to the legislature.

2. The law provides for establishments that fail to file or report the tax, they be fined $5.00 per day up to $500.00 per month. There are businesses whose total monthly tax would be $4.00 or $5.00. However, their penalties amount to $700.00 or $800.00. The appeals panel will be recommending to the board that these penalties be waived, as these businesses have paid all the taxes due. He feels the fair way to assess the penalty would be to make it a percentage of the total tax due. If the penalty was keyed to the amount of the tax, he feels it would be more equitable.

Commissioner Faircloth stated he would like to know how much money is being lost from these business on Ft. Bragg that do not pay the meals tax before he would consider asking the legislature to change the law.

Mr. Strassenburg stated he would get the information and make an estimate of what is being lost.

Meeting adjourned 8:35 AM.