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CUMBERLAND COUNTY FINANCE COMMITTEE NOVEMBER 4, 2010, 8:30AM, ROOM 564 MINUTES

MEMBERS PRESENT: Commissioner Kenneth Edge
Commissioner Marshall Faircloth

MEMBERS ABSENT: Commissioner Jeannette Council

OTHER COMMISSIONERS ATTENDING: Commissioner Jimmy Keefe
Commissioner Phillip Gilfus

OTHERS: James Martin, County Manager
Juanita Pilgrim, Deputy County Manager
James Lawson, Asst. County Mgr/HR Dev & Support Svs
Rick Moorefield, County Attorney
Sally Shutt, Communications Manager
Howard Abner, Assistant Finance Director
Austin Keating, Child Support Director
Vicki Felieu, Child Support Office
Marie Colgan, Clerk to the Board

Commissioner Edge called the meeting to order stating that Commissioner Council is out of state and cannot be in attendance and welcomed Commissioner Keefe and Gilfus.

1. Approve Minutes: October 7, 2010

MOTION: Commissioner Faircloth moved to approve as presented.
SECOND: Commissioner Edge
VOTE: UNANIMOUS

2. Consideration of Approval of the Local Child Support Call Center

Mrs. Pilgrim announced to the members that she had received an email recently which stated that two of the top 20 performers in this region with Child Support Services are workers here in the local office.

Mr. Martin introduced Mr. Keating and Ms. Felieu from the local Child Support office and called on Mrs. Pilgrim to provide background information on this request. Mrs. Pilgrim advised over the last several years, the State office had handled all child support calls, but as of January, 2011, the local office will be required to take calls from clients that prefer to call locally. There will still be an answering service at the state level, but a poll taken showed that individuals prefer calling and talking directly with someone at the local level. Due to this, Mr. Keating is requesting funding to handle this additional burden which is being placed on his office.

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Mr. Keating advised that in 1997, the federal government required that all child support payments be sent through one office in Raleigh. He stated that the State established a central call center in Washington, NC to take complaints. At that time, the local Child Support Office was taking 1200 to 1400 calls a day with a staff of 57 which hindered the production of the office. The State has now given individuals the option to talk with the local office or call their 1-800 #, and due to Mr. Keating's past experience with the volume of calls that can come in, he is making the request to add more staff and equipment in order to maintain a call center locally. Mr. Keating added if no additional funding is received, his agency's resources will be strained and providing service will be hampered. Mrs. Pilgrim advised that assistance from the state can be requested, but for now, the local office will need to be prepared to take calls. Mrs. Pilgrim referred members to their packet for the recommendation of hiring three additional staff members at pay grade 57 along with purchasing an Automated Caller Dialing System. The anticipated first year cost will be \$48,837 for three additional staff and startup cost of \$36,226 for equipment. Mrs. Pilgrim added the annual costs after that would be \$97,673 for staff and a monthly \$500 fee for telephone service. The equipment would need to be purchased prior to January 1st and Mr. Keating stated he hoped the staff could be hired in the early party of December to start training. Commissioner Gilfus questioned whether there might be other things that the State will be pushing down to the counties and Mr. Keating answered that he was not aware of anything as far as Child Support is concerned. Mrs. Pilgrim informed members that if current staff has to handle calls, it would affect their performance which takes away incentives monies which the agency could otherwise earn. Mr. Martin voiced concern about whether just three staff member will be enough to keep up with the calls without pulling employees from collections to help out with phone calls. Discussion ensued regarding the reality that more unfunded mandates will probably be passed down to the counties in the upcoming year.

MOTION: Commissioner Faircloth moved to recommend to the full Board the staff recommendation of hiring of 3 Office Assistant III positions at a first year cost of \$48,837 and the purchasing of equipment at a cost of \$36,226 to establish a call center in the Child Support Enforcement Department at a total cost of \$85,063, with the county share after reimbursement being \$28,921.

SECOND: Commissioner Edge

VOTE: UNANIMOUS

3. Monthly Financial Report

County Manager Martin advised that Amy Cannon is out sick and Howard Abner will provide information on the monthly financial report.

Mr. Abner referred members to their handout stating this is first quarter figures. He pointed out the subtotal line of the General Fund items for obligations shows 22.40% as compared to last year at 23.03%. Mr. Abner noted that a line has been added under Human Services to track the Child Support figures for the future and reminded members that obligations are actual expenditures plus encumbrances. Under Revenues, Mr. Abner advised tax revenue is on par

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with last year's figures. For sales taxes, he reminded members that October receipts are actually for July figures. The October sales tax gross collections which have just been received are greater than last year; however, the actual distribution to the county is going to be less because of a big spike in sales tax refunds which will go to non-profits. In response to a question from Commissioner Keefe regarding comparisons to last year, Mr. Abner advised receipts in August and September were both positive compared to the same time last year.

Commissioner Keefe questioned whether the County had any information to show how the local Child Support office is doing in comparison to when it was a State agency, but Mrs. Pilgrim informed him that it was too early to tell because of the training period that is needed for new staff. Mr. Martin added no comparison to the state figures is available, but the comparison where the County felt they could do better was the comparison of figures provided by other vendors. Mr. Howard and Mrs. Pilgrim explained that the distribution of performance based incentive monies was discretionary to the State and the State could change the formula by which distributions had been made in the past.

4. Other Matters of Concern –

Commissioner Keefe stated he attended a conference held by emergency management personnel regarding various fees which might be waived in the event of a disaster. He questioned whether the County should consider reduced or waived fees during this economic disaster in order to spur economic growth; such as with the building and permitting fees. Commissioner Edge advised the County has waived fees during emergencies in the past and if he remembers correctly, some time in the past a discussion was held regarding the County fees. A survey was completed of surrounding counties and it showed that Cumberland had the lowest fees, but the county still made an adjustment at that time. Commissioner Keefe stated even though this would not make a big difference, it would show the County as a more development friendly county and could make a difference in projects being considered.

Commissioner Faircloth asked staff to be prepared to furnish information to help the Board make a decision on the upcoming school funding agreement. He suggested it would be useful to see what percentages of their property taxes other counties appropriated to school funding within this region and by other counties of similar populations, budgets and student enrollments to Cumberland.

Commissioner Faircloth suggested that some type of 3 or 5 year plan needs to be developed for the Civic Center in order to get them to a pay-as-you-go facility. Commissioner Keefe agreed there should be a business plan in place. Commissioner Edge, who is the liaison to the Civic Center Board, advised that the Center's revenues are currently exceeding their expenses and that many in-house maintenance projects are completed by staff which saves them money. He added, in his opinion, given the business they are in, it is hard to predict revenue, plus this community will not support high price ticket events. Discussion ensued regarding whether a business plan could feasibly be developed. County Manager Martin explained that the debt service for 2011 will be met by the food and beverage tax and that only an amount of about \$650,000 (of which \$300,000 is for sponsored events) is provided as an operational subsidy amount from the general fund. After further discussion, it was agreed the future monthly

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financial reports provided to this committee will include a separate detail for the Civic Center expenses and revenues and that some historical information will also be provided.

MOTION: Commissioner Faircloth moved to adjourn.

SECOND: Commissioner Edge

VOTE: UNANIMOUS

MEETING ADJOURNED AT 9:40 AM