

CUMBERLAND COUNTY FINANCE COMMITTEE
NEW COURTHOUSE, 117 DICK STREET, 5TH FLOOR, ROOM 564
OCTOBER 4, 2012 - 9:30AM
MINUTES

MEMBERS PRESENT: Commissioner Kenneth Edge, Chairman
 Commissioner Jeannette Council
 Commissioner Ed Melvin

OTHER COMMISSIONERS

PRESENT: Commissioner Jimmy Keefe
 Commissioner Marshall Faircloth

OTHERS: Amy Cannon, Deputy County Manager
 James Lawson, Assistant County Manager
 Rick Moorefield, County Attorney
 Howard Abner, Assistant Finance Director
 Buck Wilson, Health Department Director
 Daniel Ortiz, Environmental Health Supervisor
 Tony Ferguson, Environmental Health
 Callie Gardner, Day Reporting Center/Pre-Trial
 Sally Shutt, Chief Public Information Director
 Candice H. White, Clerk to the Board
 Press

Commissioner Edge called the meeting to order.

1. APPROVAL OF MINUTES – September 6, 2012 Regular Meeting

MOTION: Commissioner Melvin moved to approve the minutes.
SECOND: Commissioner Edge
VOTE: UNANIMOUS (3-0)

2. PRESENTATION ON FOOD AND LODGING SECTION OF THE ENVIRONMENTAL
HEALTH DIVISION

Commissioner Edge called on Buck Wilson, Health Department Director, who provided the following presentation. Mr. Wilson stated Commissioner Edge requested that he provide a presentation of food and lodging services provided by the county, the cost to the county to provide those services and what the state provides for the same.

Food and Lodging Division Handles:

- Permitting and Inspections
- Special Events

- Complaints
- Food Borne Illness Investigations
- Smoke Free Investigations NC
- Plan Reviews for Restaurants/Food Establishments

Environmental Health Food and Lodging Division Handles:

- Writing Permits for All New Food Handling Establishments
- Temporary Food Establishments (TFE's) and Mobile Food Units
- Performs Quarterly, Bi-annual, and Annual Inspections Depending on the Establishment

Total Establishments:

- | | |
|----------------------|-------|
| • Restaurants | 665 |
| • Food Stands | 146 |
| • Schools/Cafeterias | 248 |
| • Seafood Markets | 7 |
| • Meat Markets | 32 |
| • Motels and Hotels | 60 |
| • Institutions | 36 |
| • Day Cares | 371 |
| • Residential Cares | 221 |
| • Totals: | 1,786 |

Total Inspections:

- | | |
|---------------------|------|
| • Restaurants | 1927 |
| • Food Stands | 271 |
| • Schools | 436 |
| • Seafood Markets | 17 |
| • Meat Markets | 96 |
| • Motels and Hotel | 55 |
| • Institutions | 94 |
| • Day Cares | 713 |
| • Residential Care | 113 |
| • Other Inspections | 454 |
| • Totals: | 4176 |

Establishment Site Visits:

- | | |
|---|-----|
| • Transitional Visits | 31 |
| • Construction Visits | 417 |
| • Provisional and Critical Violation Visits | 516 |
| • Total Site Visits: | 964 |

Additional Duties:

- Teach Food Service Class in Conjunction with FTCC
- Educational Classes for School System
- Non-Profit Tax Exempt Organizations

- Daycare Sanitation Class
- Answer Questions for the Public and Other Agencies

Total Cost for Food and Lodging Program:

- 11 Employees Salary/Benefits
 - \$666,524
- Travel
 - \$19,097.32
- Total Cost
 - \$685,621.32

State Reimbursement:

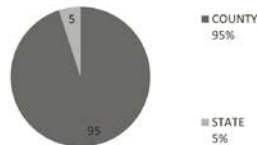
- State Reimbursement 2012
 - \$28,900 – Fairly Standard Across the State

Mr. Wilson explained there is a \$75.00 inspection charge per establishment and the state keeps one-third and sends two-thirds to the county. Mr. Wilson stated it costs much more than \$75.00 to provide the inspections.

County Funding:

- 95 % County Funded (Roughly \$656,000)

Program Funding:



Mr. Wilson explained the Environmental Health fees as presented below are set by the Board of Health and the Board of Commissioners determines whether it wants to approve the fees.

Current Fees:

- | | |
|--|----------|
| • Septic Tank Permit & Soil Evaluation/Expansion Permit | \$400.00 |
| • Repair Permit | \$25.00 |
| • Redraw Plot Plan without visit | \$25.00 |
| • Redraw Plot Plan with visit | \$125.00 |
| • Call Back Fee | \$75.00 |
| • New Well Permit (Irrigation/Agricultural) No Water Sample | \$275.00 |
| • Expansion w/Pool or Room Addition | \$230.00 |
| • New Well Permit, Inspection & Water Samples (Chem; Bact & Nitrate) | \$320.00 |
| • Water Sample – Compliance Bacteriological | \$100.00 |
| • Water Sample – Bacteriological | \$45.00 |
| • Water Sample – Organic | \$45.00 |
| • Water Sample – Petroleum/Pesticide | \$50.00 |
| • Water Sample – Nitrate | \$40.00 |
| • Inspection of Existing Septic Tank in Mobile Home Park (AIW) | \$90.00 |
| • Inspection of Existing Septic Tank for MH for relocation (occupancy) | \$90.00 |

• Inspection of Existing Septic Tank for Reuse or Change of Use	\$90.00
• Public Swimming Pool/Seasonal	\$200.00
• Public Swimming Pool/Year Round	\$225.00
• Public Swimming Pool Plan Review	\$150.00
• Tattoo License – Permanent Location	\$250.00
• Tattoo License – Conventions	\$150.00
• Solid Waste Transporter Permit	\$50.00
• Inspection per Vehicle	\$10.00
• Swill Feeder Permit	\$5.00
• Building Demolition/Relocation (Rodent Inspection)	\$50.00
• Plan Review Food Service Establishment	\$200.00

Food and Lodging Fee

- Currently Not Established by County Commissioners
- Legislative Plans

Mr. Wilson explained the Board of Commissioners is not responsible for setting the food and lodging fees because they are set by the state. Mr. Wilson stated were a law to be enacted that would enable the Board of Commissioners to set the food and lodging fees, the Board could decide it did not want to raise the fees on restaurants and continue to contribute the \$656,000. Mr. Wilson further stated he did feel the total cost for the program could be recouped but there might be a reduction in the cost to the county with the implementation of a user fee.

Mr. Wilson stated he has been working with the Environmental Health Division on the state level for about ten years in an effort to give Boards of Commissioners local control; however, efforts have frequently been tabled due to the political influence of restaurant association lobbyists. Mr. Wilson stated this is the first year in which the restaurant association appears to want to try figure out a way to recoup some of the costs through fees; however, he disagrees with the direction the restaurant association is taking. Mr. Wilson stated the restaurant association's direction is to raise the state fee because the state retains a certain amount of the dollars and were the fees to be set at the local level, their concern is that the state will not get its money. Mr. Wilson stated efforts for local control over the past ten years have always included holding the state harmless so it would continue to receive 10% to cover its administrative costs. Mr. Wilson stated he feels Boards of Commissioners should decide the fees and suggested that this effort could be supported by the North Carolina Association of County Commissioners (NCACC). Mr. Wilson responded to questions.

Commissioner Edge stated he would like to see a comparison of how much money the state collects statewide and how it is relative to Cumberland County. Commissioner Edge stated were Boards of Commissioners able to set food and lodging fees, the state could continue to be held harmless and counties could then charge some fee for their inspections.

3. DISCUSSION REGARDING COMMUNITY FUNDING

Amy Cannon, Deputy County Manager, stated during the Board of Commissioners' June 11 and 12, 2012 budget work session, there had been considerable discussion regarding

funding for community organizations. Ms. Cannon referenced Cumberland County's community funding list as indicated below:

Account No.	General Fund	Organization	FY2012 Adopted	FY2012 Adopted
442	4440 5026	Airborne Special Operations Museum	200,000	200,000
442	4440 5004	Arts Council	80,000	80,000
437	4380 344G	Boys and Girls Club	0	10,000
412	4195 3419	BRAC-Regional Alliance	20,500	35,000
442	4440 5067	Cape Fear Botanical Garden	6,642	6,642
412	4195 3419	Cape Fear Botanical Garden- Capital Project	100,000	0
432	4333 5066	Cape Fear Regional Bureau for Community Action	12,150	12,150
442	4440 315T	Cape Fear River Assembly	0	11,674
437	4380 5038	Center for Economic Empowerment & Development	10,625	10,625
437	4380 5014	CC Coordinating Council on Older Adults/RSVP	93,004	105,489
412	4195 315D	CC Veterans Council	1,000	1,000
437	4380 5010	Child Advocacy Center	39,768	39,768
437	4380 345R	Communicare	40,000	40,000
432	4333 5070	Contact	6,874	6,874
450	4520 5050	Fayetteville- Cumberland County Chamber of Commerce	410,000	410,000
450	4529 350T	Fay-Cumberland County Chamber Commerce- shell building	125,000	0
432	4333 5069	HIV Task Force	5,978	5,978
450	4520 3419	Hope Mills Chamber of Commerce	0	35,000
412	4195 5080	Mid Carolina Council of Governments	189,554	195,746
412	4195 5080	Mid Carolina Council of	0	24,734

			Governments- In		
			Home Aides		
432	4333	3851	N.C. Division of	59,214	63,276
			Vocational		
			Rehabilitation		
426	4295	5606	N.C. Forest	122,200	135,596
			Service		
437	4380	5015	Salvation Army	29,700	29,000
437	4380	5030	Salvation Army	6,277	6,000
			Seasonal		
442	4440	3393	SE NC Radio	7,500	7,500
			Reading		
437	4380	5013	Second Harvest	15,000	15,000
			Food Bank of		
			Southeast NC		
450	4529	3123	Southeastern	31,943	31,943
			Economic		
			Development		
			Commission		
450	4520	315E	Spring Lake	35,000	35,000
			Chamber of		
			Commerce		
437	4380	5036	Teen Involvement	5,978	5,978
			Program		
442	4440	3419	T.J. Robinson	0	0
			Life Center		
437	4380	5017	United Way - 211	0	5,500
Total General Fund				1,653,907	1,565,473

Ms. Cannon stated each year the county's Finance Department works closely with the Legal Department and when funding packets are sent to outside agencies during the February timeframe, and in order for an agency to be considered for funding, the agencies have to have a non-profit status or 501(c)(3) which is kept on file along with a list of the agency's board members and their mission. Ms. Cannon stated the county looks at the type of services and functions the agency provides to see whether they fit the county's mission for a public purpose before bringing forward to the Board of Commissioners. Ms. Cannon stated if an agency is selected for funding, the county enters into a contractual agreement through the Legal Department which includes specific requirements such as financial accountability through an annual audit. Ms. Cannon stated agencies selected for funding must submit to the county on a quarterly basis a written report or form that lists all of their funding sources, the amount received from those funding sources and a detailed listing of expenditures. Ms. Cannon stated the county reimburses agencies based on what they have spent and the services that have been provided during the quarter based on the contractual agreement. Ms. Cannon stated Cumberland County's process is fairly similar to that of Durham and Wake counties but the county does not have a written policy to reduce or limit funding.

Commissioner Keefe referenced community funding as adopted in FY2012 and FY2013 and stated it appears that funding for some of the agencies may roll over from year to year. Commissioner Keefe he would like to know the amount of their fund balances because many of the agencies may have significant fund balances and yet the county

continues to fund them. Commissioner Keefe stated this could include for example the Fayetteville Regional Chamber, the Airborne and Special Operations Museum, the Arts Council, and the Boys and Girls Club. Commissioner Keefe stated in-kind contributions have value and in order to have a true picture, in-kind contributions should be shown.

Ms. Cannon advised the county has contractual agreements to provide funding for the N. C. Forestry Service, the Division of Vocational Rehabilitation and the Mid-Carolina Council of Governments.

Commissioner Edge stated community funding is a topic of discussion each year as part of the budget process and if cuts are to be made to organizations, they need to be notified ahead of time and the cuts need to be done in increments. Ms. Cannon stated over the years as funding for county departments has had to be cut, efforts have been made to apply the same percentage reductions to outside agencies whose funding could be cut.

Commissioner Edge noted many counties have removed funding for economic development from their community funded agencies and have established it as a separately funded item. Commissioner Keefe stated the county could fund economic development as a separate item, find out where the funds go, and get away from Chambers of Commerce which are funded by businesses.

Consensus of the Finance Committee was for Ms. Cannon to request fund balance amounts on the application, and take the ideas as discussed and bring to the Board at budget time. Ms. Cannon stated the county will restructure the funding list and draft a policy for review by the Finance Committee.

4. UPDATE REGARDING THE TREATMENT FOR EFFECTIVE COMMUNITY SUPERVISION (TECS) PROGRAM

James Lawson, Assistant County Manager, referenced previous updates provided to the Finance Committee regarding the Criminal Justice Partnership Program (CJPP) and the Treatment for Effective Community Supervision (TECS) Program to include correspondence from the Department of Public Safety (DPS) that the bid for TECS Program had been awarded to the Cumberland County Day Reporting Center (DRC). Mr. Lawson recalled the DRC submitted a bid for \$241,234; however, the bid award was only for \$101,542.

Mr. Lawson stated when the DRC was funded through the CJPP, the funding included personnel and operational costs. Mr. Lawson advised under the TECS Program, funding is only provided as a reimbursement for services provided to the offenders and the services focus only on Cognitive Behavioral Intervention (CBI) and substance abuse.

Mr. Lawson stated after accessing the program and the limited amount of funds provided in the bid award, the county became concerned about its ability to provide a service that will effectively serve the population in Cumberland County, especially when it learned it would have to bear the administrative and operational costs. Mr. Lawson stated the county also has concerns about the formula the State has handed down as to how to administer the services. Mr. Lawson stated after discussing the matter with Callie

Gardner, Day Reporting Center, and individuals at the state and district levels, he does not believe the county can provide the services for more than a few months over the course of year and will fall short of meeting the demands of the local population. Mr. Lawson further stated there are no provisions for supplemental funding and the county was informed it would have to do the best it could with the monies it was awarded. Mr. Lawson stated he has also learned that a lot of counties have turned the bid award down or have turned the bid award back over to the state, and that larger private organizations are in the best position to provide the services.

Mr. Lawson stated the state is confident one of the four local bidders can take on the TECS Program and provide a good service. Mr. Lawson further stated when considering all things, to include the best interest of the community, his recommendation is that the county not accept the bid award and give the state an opportunity to award the bid to a local vendor. A brief discussion followed.

MOTION: Commissioner Melvin moved to follow the recommendation of Assistant County Manager James Lawson and turn the bid award back over to the state.
SECOND: Commissioner Edge
VOTE: UNANIMOUS (3-0)

Commissioner Council stated she did not expect the local vendor to ask the county for one penny. Mr. Lawson stated this will free up space within the courthouse and since the local vendor will need close coordination to the probation office, there may be an opportunity for the space to be leased.

5. REVIEW OF MONTHLY FINANCIAL REPORT

Howard Abner, Assistant Finance Director, advised this is the final financial report for FY2013 with the exception of the audit that will be presented in the second meeting in December.

For expenditures and obligations, Mr. Abner reported all transactions except the final audit entries have been recorded in the county's financial system. Mr. Abner stated year-end obligations stand at 94.15% of budget versus 96.17% last year at this time, and total dollars obligated are \$3.8M less than last year.

Mr. Abner reported most functional areas are well within the 90% spending range. Mr. Abner stated Emergency Protective Services is low due to \$1.2M of unspent Viper funds and for the current year, these funds have been re-appropriated as part of the funding for the Detention Center Expansion. Mr. Abner also stated in Economic Development, the Water and Sewer Fund is under spent by \$1.0M due to the Vander W&S project. Mr. Abner further stated contracts have not been encumbered and there is \$700K of contingency funds budgeted.

With regard to revenue, Mr. Abner reported there have not been any changes in Category 10 Ad Valorem Taxes from the last report and the Ad Valorem Tax category brought in \$4M more than last year.

Mr. Abner reported in Category 20 Other Taxes, all the sales tax distributions are in and the year ended with \$2.3M over FY11 for a 6.6% increase.

Mr. Abner reported in Category 30 Unrestricted Intergovernmental, sales tax equalizations payments, which are tied in part to collections, increased \$284K or 4.4%.

Mr. Abner reported for Category 40 Restricted Intergovernmental, revenue collected as a percent of the budget will never be 100% since these revenues generally represent a reimbursement of expenditures which will never be 100%.

Mr. Abner reported for Category 50 Licenses and Permits, this category ended well at 123% from a budgetary standpoint. Mr. Abner stated Register of Deeds fees increased but that was offset by the \$75K decrease in Inspections fees.

Mr. Abner reported for Category 60 Sales and Services, fees for service were good in all areas and in total the county collected 101% of the budgeted amount for the first seven categories of revenue.

With regard to the Crown, Mr. Abner stated he believed Operating Revenue over Operating Expenses was the key financial indicator and while the numbers were in the negative, this year is showing a smaller loss than last year, \$338K.

6. OTHER MATTERS OF BUSINESS

There were no other matters of business.

There being no further business, the meeting adjourned at 10:35 a.m.