

CUMBERLAND COUNTY BOARD OF COMMISSIONERS
JUNE 7, 2010 – 5:30 PM
COURTHOUSE - 117 DICK STREET - ROOM 564
SPECIAL MEETING FOR BUDGET WORK SESSION

PRESENT: Commissioner Billy King
Commissioner Jeannette Council
Commissioner Kenneth Edge
Commissioner Marshall Faircloth
Commissioner Ed Melvin
Commissioner Phillip Gilfus
Commissioner Jimmy Keefe
James Martin, County Manager
Juanita Pilgrim, Deputy County Manager
Amy Cannon, Assistant County Manager
Rick Moorefield, County Attorney
Sally Shutt, Communications Manager
James Lawson, Human Resources Manager
Howard Abner, Assistant Finance Director
Bob Tucker, Finance Department
Todd Hathaway, Finance Department
Kelly Autry, Finance Department
Marie Colgan, Clerk to the Board

Chairman King called the Special Meeting to order and called on James Martin, County Manager, to provide information.

Mr. Martin provided a PowerPoint slide to show the figures used to come up with his proposed budget, highlighting the fund balance appropriations, the percentage of fund balance remaining (10%), the recommended budget of \$285,152,748 and manager adjustments of \$86,620, leaving \$28,000 undesignated revenue available. Mr. Martin noted the document can be adjusted during the work session by the Commissioners as they make their requests. A request was made at the last meeting for Mr. Martin to identify funding for a 2% COLA increase for employees. Mr. Martin explained how \$1.7M for a 2% COLA increase can be funded through a combination of a reduction of the general fund subsidy necessary for coliseum debt, savings by moving the new Child Support Enforcement Department to a county-owned office in the existing Mental Health facility on Bradford Avenue rather than continuing renting a privately-owned office, and excluding new hires after June 20th and the new Child Support Enforcement Department from the COLA. Commissioner Keefe questioned whether there would be a cost for the CSE move. Mr. Martin advised no major renovation is needed and the cost for some new carpet will come out of the transition monies already identified for this move. In explaining the reduction for the coliseum debt transfer, Mr. Martin advised that in the past the food and beverage 1% tax had been insufficient to cover the debt service on the coliseum, so supplemental monies were transferred from the general fund for this purpose. Mr. Martin further advised since there is now a fund balance in the food and beverage account, it allows a reduction in what was budgeted as supplemental from the general fund. Amy Cannon, Assistant County Manager, explained that next year, no supplemental funds will be needed so the figure for the 2% COLA is sustainable for the following year. Mr. Martin went over what items are included in helping to offset the \$479,541 still needed to cover the \$1.7M for the COLA increase. Some of those items included an adjustment to the May sales tax and a federal reimbursement due to the CSE changes.

Discussion ensued regarding other items that the Board would like to have added in the adjustment column. Chairman King asked that \$50,000 be entered into the adjustments as recurring for the Spring Lake Chamber of Commerce. Chairman King added that a speaker will be at the public hearing on June 8th to explain the request which is for economic development. Commissioner Keefe asked that the amount for Veterans Services be increased to \$1,000. Funding for Second Harvest Food Bank was also discussed. Concern was expressed regarding increasing some of the community funding which could possibly result in additional requests.

In response to a question posed by Commissioner Gilfus, Mr. Martin explained that at this time, all debt service the county has is sustainable and is already in the budget to the maximum extent

that any existing debt going forward would cost. The question that will arise with the issuance of additional debt for school construction is how to fund the increased operational costs of new school facilities as they come on line. No additional debt has been identified that is sustainable with additional operating expenses.

Responding to an additional question, Mr. Martin explained how water systems are approved and financed and how schools are funded through the school funding agreement. Discussion turned to the project cost of the Grays Creek Water District with finalized estimates expected to be received within the next 30 days. It is expected PWC will be the less expensive supplier. After estimates are received, a decision by the Board will need to be made regarding a bond referendum.

In response to a question posed by Commissioner Keefe, Mr. Martin stated that it is up to the Board whether to include the proposed 1.5 cent tax rate for the jail expansion in the revenue neutral tax rate, but he would not recommend it be set as a separate tax rate. Mr. Martin further stated he would like to ensure that administration understands what amount, if any, the Board wants to set aside for the jail if it is included in the total tax rate. Discussion ensued regarding how to pay for the jail, pay-as-you go verses financing. Commissioner Melvin questioned if the expansion would be completed sooner by financing or pay-as-you-go as recommended by the manager. Mr. Martin stated his plan sets a path and a plan to complete it, but does not specify a time for completion. Based on his plan and the Board's decision, it might be three years down the road before completion. Financing would be more expensive, but the difference in timing is probably not more than six months earlier than the pay-as-you-go plan. It will take approximately 12 to 15 months before the architectural and engineering plans as well as acquiring needed authorizations could be completed. Possible legislative action may also be needed to approve the dormitory-style expansion. Commissioner Edge clarified with the county attorney that a court order can be imposed that would require inmates be placed in other out-of-county facilities because of jail overcrowding which will result in additional costs. Commissioner Edge stated that the county has a responsibility for public safety and that an expansion of the jail will need to take place in the next few years and a decision will need to be made as to how to pay for it.

Commissioner Keefe questioned what funds are being budgeted for renovation of the old Public Health building. Mr. Martin advised that no monies have been budgeted in his proposed budget. Commissioner Council voiced concern about leaving the old Public Health building vacant. Mr. Martin stated that management has tagged \$5.6M under the general fund balance for renovations to the old Public Health building which is shown on page 38 of the proposed budget booklet, but the Board can do whatever they want to with these monies. In response to a question from Commissioner Gilfus, Mr. Martin stated that even though he expects the Board may want to use some of the \$5.6M he has tagged for the old Health Department building renovation for the jail expansion, he hoped that they would consider at least finding out what the cost would be for total inside demolition of the old Public Health building. Mr. Martin further stated the placement of consolidated city/county 911 communications in this building is a logical choice and as funds are available other departments could be brought into the building over time. Commissioner Melvin questioned whether any thought has been given to selling the old Public Health building as those monies could be used toward building a jail. Mr. Martin advised he did have a conversation with the hospital regarding their purchasing it, but they were not interested.

Chairman King questioned whether there is a wide-spread problem with employees not being able to purchase health insurance. Mr. Martin stated that the county pays for all of the employee costs except for about \$25 and does not believe this is a wide-spread problem.

Commissioner Keefe advised that he would not be able to attend the Thursday night budget work session. Chairman King reminded the Board of the public hearing on the budget which is being held Tuesday night and that a work session can be held after the public hearing if the Board desires.

MOTION: Commissioner Keefe moved to adjourn the meeting.
SECOND: Commissioner Gilfus
VOTE: UNANIMOUS

The meeting adjourned at 7:00 p.m.

Approved with/without revision:

Respectfully submitted,

Marie Colgan
Clerk to the Board