

CUMBERLAND COUNTY BOARD OF COMMISSIONERS
JUNE 8, 2010 – 7:00 PM
117 DICK STREET, 1ST FLOOR, ROOM 118
PUBLIC HEARING ON THE RECOMMENDED FY2010-2011 BUDGET

PRESENT: Chairman Billy King
Commissioner Jeannette Council
Commissioner Kenneth Edge
Commissioner Marshall Faircloth
Commissioner Jimmy Keefe
Commissioner Ed Melvin
Commissioner Phillip Gilfus
James Martin, County Manager
Juanita Pilgrim, Deputy County Manager
Rick Moorefield, County Attorney
Howard Abner, Assistant Finance Director
Kelly Autry, Accountant I
Sally Shutt, Communications Manager
Marie Colgan, Clerk to the Board

Chairman King called the special meeting to order and opened the public hearing.

SPEAKERS

1. Polly Davis, Friends of Library Former President/Library Board of Trustees Chairman – Ms. Davis praised library staff for their resiliency and the Board of Commissioners for their assistance in 2008-2009 during the time in which the headquarters library was condemned and staff and operations had to be relocated as the result of a fire. Ms. Davis also thanked the Board of Commissioners for their commitment to the library and for locating funds to extend branch library hours of operation. Ms. Davis cited 2008-2009 statistics for the Cumberland County Library compared to the seven largest libraries in the state as follows: fourth for the circulation of print materials; second for programs provided/hosted over 3,800 programs; fourth for reference questions/answered over 330,000 reference questions; fourth in meeting room use/3,600 local organizations with over 74,000 individuals in attendance.
2. Joan Allen, Cape Fear Botanical Gardens 3rd Vice President Development - Ms. Allen provided a short report as follows: during the last fiscal year, over 29,000 individuals from all fifty states and seventeen different countries visited the Gardens; in April 2010 an all time record high of 12,000 individuals visited the Gardens; the Gardens served over 4,000 school children with hands on natural science and education programs; in 2009 construction began on the pavilion complex scheduled to be completed in the early spring of 2011. Ms. Allen stated the staff, administration, and Board of the Cape Fear Botanical Gardens are grateful for the support of the Board of Commissioners.
3. Willie Wright, Library Board of Trustees – Mr. Wright stated he was speaking on behalf of the library and as an employee of the public school system. Mr. Wright provided information on his school’s mandatory summer reading assignment for students entering middle school and stated forty percent of the students live with a single parent and can not afford to purchase the books. Mr. Wright further stated for these students, the books are available at the library. Mr. Wright asked the Commissioners for their continued support of the library and students.
4. Jack Kelley – Mr. Kelley stated as a member of the library, he wanted to be sure the Board of Commissioners understood the value of the library system they oversee and further stated the Commissioners are doing a good job. Mr. Kelly described the library as a place of learning and discovery for all ages and a change agent that affects the quality of life of citizens of this county. Mr. Kelly spoke to

resources available at the library and stated the Commissioners are to be commended for the professional staff they entrust with running the library system.

Chairman King recognized Town of Spring Lake Alderman James Christian.

5. Gail Riddle, Library Board of Trustees - Ms. Riddle thanked the Board of Commissioners for the job they do and for their support of the library system. Ms. Riddle stated as the recession continues, the library has been called upon to support local economic development to a greater extent than ever before. Ms. Riddle further stated many citizens depend on the library because they do not have computers with internet access at home and the number of patrons using the library for job searches and resumes is growing. Ms. Riddle reported in March 2010 patrons used library computers over 40,000 times and went to the library's database over 196,000 times. Ms. Riddle spoke briefly to one-on-one service, children's programs and the collaboration of the west branch library and the county school due to open in August 2010.
6. Alexander Newman – Mr. Newman stated he has received assistance from library staff over the past seventeen years on various projects but the most important project to date was the assistance of headquarters library staff with an ongoing effort to maintain a company classified handbook for terrorism countermeasures for luxury hotels and casinos along the Las Vegas strip. Mr. Newman further stated the report has been deemed comprehensive enough by members of the U.S. Department of Homeland Security, the FBI and various intelligence agencies for future use as the industry standard for hotels and casinos along the Las Vegas strip. Mr. Newman stated it would not have been possible without headquarters library staff and for that he extends his thanks.
7. Bonnie Long – Ms. Long stated following her husband's unexpected demise, library staff assisted her with putting together a resume, searching for jobs online and preparing responses to hard interview questions. Ms. Long further stated most of all library staff helped her to build self confidence and she hopes the Commissioners find the money to continue to fund these programs for the benefit of individuals like her.
8. Linda Devore, Republican County Commissioner Candidate – Ms. Devore expressed concern that Cumberland County has the seventh highest property tax and the second highest sales tax rate in the state. Ms. Devore also expressed concern regarding the current proposal that would add 1.5 cents to the property tax rate ostensibly to fund a much needed jail expansion when in fact the county already had the necessary funds to move forward with the project. Ms. Devore stated it seems clear that this year's recalculation of a revenue neutral rate has established that taxpayers paid 3.2 cents per hundred more than they should have last year. Ms. Devore further stated it also seems clear that 2 cent property tax relief given two years ago to entice voters to approve a quarter cent increase in the local sales tax rate was taken back during last year's revaluation and budget process. Ms. Devore stated the proposed 1.5 cent jail tax appears to retrace those steps. Ms. Devore suggested rather than impose a tax on property owners, that the Commissioners consider the following: use one-half the \$1.8 million to raise salaries and use the remaining half to finance the jail project. Ms. Devore further suggested Commissioners adopt the revenue neutral tax rate of 73.4 cents that taxpayers were promised.
9. Cynthia Wilson, Second Harvest Food Bank - Ms. Wilson asked the Board of Commissioners to reconsider the Second Harvest Food Bank's (SHFB) request for \$35,000. Ms. Wilson stated the SHFB distributes food to individuals and families via 103 food pantries, distributes food to children through back pack programs and after school programs in twelve schools, and distributes food to the homeless through soup kitchens and shelters. Ms. Wilson further stated the \$35,000 would enable the SHFB to connect the food that has been located with the need, assist with expenses related to transportation and enable an additional 1,300 residents to receive food monthly. Ms. Wilson stated the SHFB is working

to grow its non-designated funds in order to overcome the challenges associated with grants that are designated for food only.

10. Peggy Vick, Friends of the Library President – Ms. Vick stated she is amazed at the number of library patrons from the very young to the old, the use of computers with internet access, children’s programs and the number of teenagers frequenting the library. Ms. Vick thanks the Board of Commissioners for their support.
11. Jonn Thomas, Spring Lake Chamber of Commerce President - Mr. Thomas stated he was present to follow up on the Spring Lake Chamber of Commerce’s funding request for \$50,000 to support economic development. Mr. Thomas introduced Darsweil L. Rogers, Chairman of the Economic Development Committee, and Michael Uskiewicz, Town Manager. Mr. Thomas read about the economic development opportunities from a handout provided to the Commissioners. Mr. Thomas stated the Spring Lake Chamber of Commerce wants to emphasize that the Town’s realization of how the growth opportunity will play out was crystallized over the last twelve months and the belief is that the Fayetteville-Cumberland County Chamber of Commerce will continue to be a valuable resource in support of the growth opportunities identified. Mr. Thomas further stated the new future of Cumberland County is that there will be two key epicenters of commerce, Fayetteville and Spring Lake.
12. Meena Ahvoa Anuj – Ms. Anuj appeared on behalf of the Center for Economic Empowerment and Development (CEED), formerly known as the Women’s Business Center. Ms. Anuj thanked the Board of Commissioners for their past support and stated the CEED has seen a fifty percent increase in their clientele over the past year. Ms. Anuj provided an overview of the CEED’s services and distributed a handout containing a snapshot of the CEED’s achievements over the past five years.
13. Sue Horne, Fayetteville Area Sentencing Center - Ms. Horne thanked the Board of Commissioners for their support of the agency over the past twenty-five years and pledged to continue to use that support to save taxpayers money by offering community alternatives to incarceration and by coordinating appropriate community-based treatment and services.
14. Catherine VanSickle, Cumberland County Coordinating Council on Older Adults (CCCCOA) – Ms. VanSickle thanked the Board of Commissioners for their continued support and stated without it, the CCCCCOA could not reach as many seniors as it currently reaches. Ms. VanSickle stated the CCCCCOA secured AARP funds that will enable CCCCCOA to feed an additional fifty people. Ms. VanSickle also stated the fastest growing segment of the county’s population is seniors eighty-five and older.

Chairman King closed the public hearing.

Chairman King thanked those in attendance and stated the Board of Commissioners would take all comments under consideration.

Chairman King recessed the meeting at 7:35 pm

Chairman King reconvened the meeting at 7:40 pm.

James Martin, County Manager, requested a closed session for personnel matters as provided for under NCGS 143-318.11(a)(6). Consensus of the Board was to enter into closed session at the end of the meeting.

Chairman King advised Commissioner Keefe would be unable to attend the budget work session scheduled for Thursday, June 10th and asked the Board to extend the meeting so he could participate in discussion.

At the request of Chairman King, Mr. Martin provided a recap of the June 7th budget work session. Mr. Martin explained the \$1.7 million or 2% COLA increase could be accomplished by excluding new hires after June 20th for \$126,000, offsetting grant funds for \$41,000, and reducing the coliseum debt transfer for \$931,000. Mr. Martin further explained misinformation had been presented about the \$931,000 and the doubling of the \$931,000 or \$1.8 million, and stated that the proposed COLA was not being funded with food and beverage tax funds but was derived from using the general fund transfer to the coliseum debt service fund which had been necessary in the past to supplement the food and beverage fund which had been insufficient in the past to cover the debt service for the coliseum project. Mr. Martin recalled in his budget presentation, the first half of the \$1.8 million or \$931,000 was reallocating what had been a transfer to the debt service fund of \$1.8 million and was being used to balance the budget as was recommended initially. Mr. Martin referenced the unfunded mandate for Child Support Enforcement (CSE), effective July 1, 2010, and stated the lease payment on the CSE offices had been \$219,000. Mr. Martin further stated because the intent was to move CSE offices to the Bradford Avenue building, the former \$219,000 lease payment will be a reduction to expenses, but because the county received a 66% federal reimbursement on the \$219,000, there will be an offset on the revenue side.

Mr. Martin stated at the June 7th budget work session there had also been discussion about funding the Spring Lake Chamber of Commerce for economic development purposes in the amount of \$50,000 and funding the Veteran’s Council an additional \$668, bringing their total funding up to \$1,000. Mr. Martin noted revenue offsets would total \$231,000 and were generally state and federal reimbursements for health and social service related salaries; sales tax adjustment would total \$252,000; beer and wine revenue would total \$127,000, which has been reduced by state withholdings; and there would be a reduction in revenue due to the loss of the federal reimbursement for CSE in the amount of \$144,000 for the rent being eliminated. Mr. Martin concluded by stating the belief is that the COLA will have a sustainable source of revenue.

Staff responded to questions regarding potential reimbursement for CSE expenses. Howard Abner, Assistant Finance Director, explained there would be no direct costs reimbursement for housing CSE in a county-owned building but that CSE would share a portion of the depreciation of the building with the Mental Health Department.

Commissioner Keefe disseminated a budget proposition for consideration and stated the majority of it was related to the \$5.6 million originally in the fund balance projection for renovation of the old public health building. Commissioner Keefe stated his concerns are that the actual cost of the jail is not known, there may be legislative issues involved, and recurring costs for the jail are not known. Commissioner Keefe explained he would like to take a more cautious approach when dedicating tax money to the jail.

Commissioner Keefe identified proposed revenue sources in the amount of \$6,757,000 as follows: renovation of health department - \$5,600,000; debt service on Crown Coliseum - \$1,100,000; and savings from CSE - \$57,000. Commissioner Keefe stated there needs to be a planning budget for the jail in an estimated amount of \$1.2 million, which would be 10% of a projected cost of \$12 million.

Commissioner Keefe proposed modifications to the manager’s proposed budget as follows:

Revenue Increases:

Appropriation of fund balance “tagged” by management for old health building renovations	5.6M
Savings from debt service on Crown Coliseum	1.1M
Net Savings from eliminating rent for new CSE Dept.	57K
TOTAL	6.757M

Expense Increases:

Reserve for E-911 Communications Renovation	1.2M
Reserve for Jail Addition for planning and design	1.5M
Reserve for “Pay as You Go” Jail Construction	3.0M

1% Employee COLA
TOTAL

850K
6.550M

Commissioner Keefe explained that the net savings of 207K could be used to add funding for the Veterans Council, Spring Lake Chamber of Commerce, Second Harvest Food Bank and additional employee COLA. Commissioner Keefe stated the benefit of his proposal was the elimination of the 1.5 cent “jail tax” while still establishing “pay as you go” funding for the jail addition.

Chairman King opened the floor for discussion.

Commissioner Council expressed concern that the budget proposition did not provide for recurring expenses and that employees’ compensation had been reduced over the past several years because they had been faced with absorbing increases in health care expenses.

Commissioner Faircloth explained Commissioner Keefe’s budget proposition was the outgrowth of the \$5.6 designation earmarked by county management for renovation of the old public health department building. Commissioner Faircloth further stated it deserves some meritorious consideration because the reason for the designation was to set aside funding for capital construction. Commissioner Faircloth spoke to aspects of the proposition that appealed to him.

Commissioner Gilfus asked if there would be any type of funding agreement for the merger of emergency services with the city of Fayetteville. Mr. Martin stated the county would look to the city to fund some aspects, certainly for personnel, and the county would realize revenue from a contract similar to that with the Town of Spring Lake. Commissioner Gilfus asked if the city of Fayetteville would share in construction expenses. Mr. Martin stated his interest would be to seek reimbursement for a portion of the expenses.

Commissioner Gilfus asked Mr. Martin to explain the fund balance and merits/non-merits for using fund balance to fund capital projects. Mr. Martin stated use of the fund balance is at the will of the Board and even if there is fund balance sufficient to acquire/construct a capital project, the on-going liability is still the operational expense after construction. Mr. Martin explained there is another fiscal policy adopted by a previous Board about nine years ago that states anytime the county issues debt, sustainable funds will be budgeted in the upcoming year to cover the anticipated debt service costs as well as the operating costs for that facility.

In response to a question posed by Commissioner Edge, Commissioner Keefe stated funds need to be allocated for architectural drawings so a fixed cost can be determined for the jail. Commissioner Keefe further stated his proposal for this was \$1.2 million and he also allocated \$3 for a “pay as you go” for this year for a total of \$4.2 to \$4.5 million.

Following a brief discussion, consensus of the Board was for county management to run the numbers and report back at the Thursday, June 10th meeting.

Additional comments followed.

MOTION: Commissioner Council moved to go into closed session for Personnel Matters pursuant to NCGS 143-318.11 (a)(6).
SECOND: Commissioner Gilfus
VOTE: UNANIMOUS

MOTION: Commissioner Council moved to go into open session.
SECOND: Commissioner Melvin
VOTE: UNANIMOUS

MOTION: Commissioner Council moved to adjourn.
SECOND: Commissioner Edge
VOTE: UNANIMOUS

There being no further business, the meeting adjourned at 8:53 p.m.

Candice H. White, Deputy Clerk to the Board