

CUMBERLAND COUNTY BOARD OF COMMISSIONERS
 JUNE 12, 2012 – 5:30 PM
 117 DICK STREET, 5TH FLOOR, ROOM 564
 SPECIAL MEETING –BUDGET WORK SESSION
 MINUTES

PRESENT: Commissioner Marshall Faircloth, Chairman
 Commissioner Jimmy Keefe, Vice Chairman
 Commissioner Jeannette Council
 Commissioner Kenneth Edge
 Commissioner Charles Evans
 Commissioner Billy King
 Commissioner Ed Melvin
 James Martin, County Manager
 Amy Cannon, Deputy County Manager/Finance Officer
 James Lawson, Assistant County Manager
 Rick Moorefield, County Attorney
 Howard Abner, Assistant Finance Director
 Kelly Autry, Accountant
 Bob Tucker, Accountant
 Todd Hathaway, Finance Department
 Howard Lloyd, Sheriff’s Office/Budget
 Sally Shutt, Communication and Strategic Initiatives Manager
 Deborah Mintz, Arts Council Executive Director
 Arts Council Board Members
 Nay Headley, Mental Health LME
 Candice White, Clerk to the Board
 Kellie Beam, Deputy Clerk to the Board
 Press

Chairman Faircloth called the meeting to order and called on James Martin, County Manager, for the amended FY 2013 budget recommendations based on input provided by the Board. Mr. Martin explained the Library’s Raising a Reader item in the amount of \$47,516 had not been included in the previous recommended budget but would have no material impact on the budget because it was funded/off set by a state grant.

Mr. Martin explained the adjustment to the Managed Care Organization (MCO) took the 46.5 FTE’s or \$1,461,041 out of the budget, took operating costs or \$30,000 out of the budget, and also took out the coinciding revenue pending an approved contract with the Durham/Wake MCO. Mr. Martin stated MCO start up costs as requested by the Mental Health LME at \$1,080,000 had also been removed pending an approved contract with the MCO. Mr. Martin recognized that the Juvenile Court Liaison and CIT positions were important elements of the Mental Health budget and stated he would request the mental health director to seek inclusion of those positions in the MCO contract. Mr. Martin stated should that not be possible, he would come back to the Board for appropriate funds to continue those positions for the second half of the year.

Mr. Martin continued his review of the amended budget recommendations as follows:

Recommended Budget		306,886,642				
Adjustments to Recommended Budget		(2,814,587)				
Adopted Budget		304,072,055				
Total Revenue	73.40	304,072,055				
Revenue Reduction (Addition)		0				
Expenditures	Cost	Adjustments	Revenue	Adjustments		
Adjustments			Adjustments			
Recurring			Recurring			

Library Raising a Reader operating		47,516		NC Raising a Reader - state		47,516
Managed Care Organization		(1,491,041)		Managed Care Organization		(1,491,041)
MCO startup		(1,080,000)				
Sobriety Court contract (1/2 year)		40,157		ABC Profit for Education		40,157
Roxie Avenue Center contract (1/2 year)		175,000				
Mental Health Services		(175,000)				
Juvenile Court Liaison (seek to include in MCO)						
CIT position (seek to include in MCO)						
Pretrial Specialist		43,724				
Animal Control Officer		(44,037)				
Office Support IV - Animal Control		36,053				
Arts Council	80,000					
Defer new law enforcement step plan		(428,182)				
Salvation Army		(977)				
Total Recurring		(2,876,787)		Total Recurring		(1,450,884)
One-Time				One-Time		
Spring Lake Chamber- economic develop		35,000				
Hope Mills Chamber- economic develop		35,000				
Boys and Girls Club		10,000				
Animal Control vehicle		(17,800)				
Total One-Time		62,200		Total One-Time		0
Total Adjustments		(2,814,587)		Total Adjustments		(1,450,884)
				Fund Balance		
				F/B recurring to balance		(1,289,875)
				F/B one-time		0
					0	(1,289,875)

Mr. Martin stated his initial recommendation was to budget four Animal Control Officers and three Animal Control/Trapper positions as requested by Dr. Lauby and it did not include an Office Support position to assist with billing and pet licensing as requested by Dr. Lauby. Mr. Martin stated Dr. Lauby has since requested removal of one of the Animal Control officers (\$44,037) in order to fund the Office Support position (\$36,053) and it has been included in the amended budget recommendation. Mr. Martin explained removal of one Animal Control officer also resulted in a reduction of \$17,800 for an Animal Control vehicle for that position.

Mr. Martin concluded by stating the recommended budget was \$306,886,642 and with expenditure reductions of \$2,902,610, the net was \$303,984,032. Mr. Martin stated with the revenue changes made, there is no net difference in terms of balancing the budget at the revised \$303,984,032.

Chairman Faircloth opened the floor for questions.

Commissioner Keefe asked whether there was a way to purpose the \$35,000 going to the Spring Lake and Hope Mills Chambers of Commerce for economic development. Rick Moorefield, County Attorney, stated the proposed use of the Spring Lake Chamber of Commerce funds was for Main Street façade development and not for what was traditionally thought of as economic development. Mr. Moorefield stated the statutory directive for counties for economic development activities is basically for things intended to increase jobs or the tax base, and the proposal from Spring Lake is some distance from that. Mr. Moorefield stated if the Board's directive is for economic development activities, then the county has to have some way of

narrowing down what that means, which is why he always suggested following the statutory directives. Mr. Martin stated if the Board wishes the funds to be used for economic development, then the contract can state such; however, the Spring Lake Chamber of Commerce has to change the purpose for which they think they are going to use the funds. Howard Abner, Assistant Finance Director, stated the proposal received from the Hope Mills Chamber of Commerce was vague stating the funds would be used for I-95 Interchange 47. Discussion followed.

Commissioner Keefe asked whether there were any restrictions on the hotel/motel occupancy tax funds received by the Arts Council. Mr. Martin stated although a previous county attorney had advised the definition was not broad enough to allow the use of these funds for certain purposes, Mr. Moorefield's opinion was that the funds could be used for these specific purposes. Questions were posed to Deborah Mintz, Arts Council Executive Director, as to her understanding of how the funds could be used based on the previous interpretation. Ms. Mintz explained that the Arts Council wished to obtain an opinion from the State Attorney General and the City Attorney on this issue to make sure it remained in compliance with the state law restrictions.

Mr. Moorefield stated language in the 2001 Session Law as far as distribution of the hotel/motel occupancy tax states the county shall remit proceeds to the Tourism Development Authority (TDA) which shall use 50% of the proceeds to promote travel and tourism. Mr. Moorefield stated the language further states the remaining 50% shall be distributed to the Arts Council for arts festivals and other art events that will draw tourists and business travelers to the area. Mr. Moorefield also stated the TDA and the Arts Council are encouraged to give favorable consideration to tourism-related expenditures of the Seniors Call to Action Team, Inc. (SCAT) and the Martin Luther King, Jr. Committee. Mr. Moorefield stated he did not perceive a problem with the Arts Council using the funds to host a special show for Cumberland County students at the Cape Fear Regional Theater because the theatre itself is a tourist-draw. Mr. Moorefield stated he took a broad look at the vendors who provide art related services to the schools and the hospital because those vendors included vendors from out of town and their presence in the County could be considered business travel.

Commissioner Edge offered comments in favor of leaving the \$80,000 for the Arts Council in the FY 2013 budget. Discussion followed. Commissioner Evans expressed his support for the Arts Council. Commissioner King expressed support for keeping the \$80,000 for the Arts Council in the FY 2013 budget and stated at some point the funding could be reconsidered or cut back over a period of time. Commissioner Keefe stated the key point being missed is the removal of restrictions and the amount of funds that are now available to the Arts Council because of Mr. Moorefield's interpretation of the 2001 Session Law. Commissioner Keefe stated instead of delaying the budget, he would be comfortable with approving the budget to include the \$80,000 for the Arts Council with the caveat that based on any opinion the Arts Council received from the Attorney General, the Board revisits the funding next year. Consensus was for the FY 2013 budget to include \$80,000 for the Arts Council.

Commissioner Evans offered comments in favor of funding \$10,000 for the Boys and Girls Club of Cumberland County. Discussion followed regarding the \$6,277 recommended for the Salvation Army Christmas Outreach and the \$29,700 recommended for the Salvation Army. Consensus was to combine the two items into one line item and fund the Salvation Army \$35,000 which would include funding for the Salvation Army Christmas Outreach. Consensus was also to fund the Boys and Girls Club of Cumberland County \$10,000 and the Spring Lake and Hope Mills Chambers of Commerce \$35,000 each.

Commissioner Council stated the Board needs to take a serious look at its funding of community organizations and/or services. Commissioner Council spoke to issues facing the county such as water, transit, and employee retention, and stated at some point the Board has got to focus on all of those issues. Commissioner Edge stated should the Board collectively decide to move in that direction, organizations should be given notice that they will be cut a certain percentage each year until over a three-year period their funding is completely phased out. Commissioner Keefe stated if the Board is serious about this, then it should give a directive to the county manager to bring the Board a zero-line budget. Commissioner Keefe stated the problem has been that the budget each year is based on the prior year. Commissioner Keefe stated everyone requesting funds from the county should apply or reapply each year. Discussion followed.

MOTION: Commissioner Council moved to accept the FY 2013 budget as currently stated.
SECOND: Commissioner Melvin
VOTE: UNANIMOUS (7-0)

Chairman Faircloth advised county management would return during the fall with significant budget amendments for the Mental Health Department.

Mr. Martin called attention to the budget ordinance as distributed and asked whether the motion included formal adoption of the budget ordinance. Chairman Faircloth stated his impression was that the Board adopted the budget ordinance; consensus followed.

Commissioner Keefe requested clarification of the \$7 pet licensing fee. Mr. Martin stated his impression was that the Board's consensus was to leave the fee at \$7 with the \$2 administrative fee to veterinarians coming out of the \$7. Commissioner Keefe stated the way it is recorded in the budget ordinance would lead one to think the \$2 administrative fee would be in addition to the \$7 or the \$25 pet licensing fee. Mr. Martin explained the intent of the pet licensing fee and the \$2 administrative fee. Commissioner Council suggested that the budget ordinance state \$7 to include the \$2 administrative fee to veterinarians in parenthesis. Mr. Martin concurred.

Commissioner Keefe asked whether there were any changes from the prior year in the fire taxes and the solid waste management fee. Mr. Martin stated these taxes and fees remain unchanged.

Chairman Faircloth pointed out in addition to the 2% COLA, the Board is also maintaining the county's 1% contribution to the 401K for employees.

MOTION: Commissioner Edge moved to adjourn.
SECOND: Commissioner Melvin
VOTE: UNANIMOUS (7-0)

There being no further business, the meeting adjourned at 6:45 p.m.

Approved with/without revision:

Respectfully submitted,

Candice H. White
Clerk to the Board