

CUMBERLAND COUNTY BOARD OF COMMISSIONERS
MAY 11, 2012 - 8:00 AM
COURTHOUSE, 117 DICK STREET, 5TH FLOOR, ROOM 564
SPECIAL MEETING – PLANNING 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
Sally Shutt, Communication and Strategic Initiatives Manager
Howard Abner, Assistant Finance Director
Julean Self, Assistant Human Resources Director
Dan Domico, Human Resources Department
Thomas Wright, Human Resources Consultant
Candice White, Clerk to the Board
Kellie Beam, Deputy Clerk to the Board
Press

Chairman Marshall Faircloth called the planning session to order. James Martin, County Manager, advised this was the follow up meeting to the Board's February 17, 2012 planning retreat. Mr. Martin asked the Board to consider moving the discussion of the Parks and Recreation bond issue to Item 2. on the agenda.

1. Approval of Agenda

MOTION: Commissioner Keefe moved to approve the agenda with the requested change.

SECOND: Commissioner King

VOTE: PASSED (6-1) (Commissioners King, Melvin, Council, Edge, Keefe and Faircloth voted in favor; Commissioner Evans voted in opposition)

2. Discussion of Parks and Recreation Bond Issue

Mr. Martin stated since the May 3, 2012 Finance Committee meeting, city staff asked the city's financial advisor to put together a financial structure that would comply with the county's debt management policy. Mr. Martin advised the city's financial advisor returned with a proposal that would convert the bond issues to level principal as one way to pay off 50% of the principal

within ten years, would extend the debt from seventeen years to twenty years, and would increase the tax rate from 2.25 cents to 2.55 cents. Mr. Martin stated in order for the tax rate to be 2.55 cents, it would require that debt funds be established in a debt reserve fund and by utilizing this fund, the actual tax would be projected to be discontinued after seventeen years. Mr. Martin stated the debt would actually result in excess revenues in the projected amount of \$22 million over the seventeen year period. Mr. Martin also stated in order not to accumulate such a large reserve, one option would be to reduce the rate from 2.55 cents to a lesser amount during the first seventeen-year period at whatever point it appeared to be a good financial decision. Mr. Martin further stated the county would still issue the debt in this proposal.

Commissioner Keefe asked whether the money generated by the towns of Spring Lake and Hope Mills would be returned to them. Rick Moorefield, County Attorney, stated there is no legal obligation under a general obligation bond to pay money back to Spring Lake or Hope Mills should they do not participate in the benefits, and although the county could pay money to any municipality, it could not tie that money to a general obligation bond and had no way to restrict the use of the money.

Commissioner Keefe asked whether the 2.55 cents was for debt only or whether it would be used for additional upgrades, operations or administrative costs. Mr. Martin stated if the operational side turns out to be excessive in terms of the projections, the thought is that those proceeds would then be used for the joint facilities.

Commissioner Edge asked whether the financial structure as proposed by the city's financial advisor would still put the county's bond rating at risk. Amy Cannon, Deputy County Manager, stated she did not think the county's bond rating was at risk with the revised schedule, but the schedule still utilizes some of the county's capacity when considering future projects. Ms. Cannon stated she has run the numbers and had detailed discussions with the county's financial advisor within the past forty-five days, but has not received feedback regarding the numbers.

Mr. Martin stated subject to verification of the numbers by the county's financial advisor, the recommendation would be that the debt structure complies with the county's financial debt management policies and removes the issue about the impact to the county's bond rating. Mr. Martin stated while it does affect the county's debt capacity, it ultimately would not be an impediment to the county's ability to issue debt; however, the county's ability to repay debt is limited.

Chairman Faircloth asked whether the numbers for a separate city/county bond issue had been put together and who would carry the assets if the county issued the debt. Ms. Cannon stated the proposal has only been for a countywide bond issue and should the county issue the debt; the assets would be carried on the county's books. Chairman Faircloth also asked about the \$400,000 to \$500,000 tax surplus mentioned during the May 3, 2012 meeting of the Finance Committee. Ms. Cannon stated end of year surpluses have been quite variable and since 2006, the average replenishment or reversion to fund balance has been about \$.5 million. Ms. Cannon stated there is approximately \$3 million in the parks and recreation fund balance and the plan utilizes about \$2.5 million to cash flow some of the county-only projects.

Commissioner King asked whether any of the county's indebtedness for projects would be satisfied over the next three to five years. Ms. Cannon stated some of the general obligation bonds for schools will roll off in 2014 and 2015.

Chairman Faircloth referenced an email in which City of Fayetteville Mayor Anthony Chavonne suggested that the city continue to work with the county and ask for a final decision on participating in a county-wide referendum by the end of May, and further suggested that the city should start immediately to develop potential plans for a city-only bond referendum that would provide recreational facilities and programming called for in the plan within the city limits of Fayetteville. Chairman Faircloth recalled some of the functional mandates required by state law for counties and municipalities, and stated from what he has heard from Board members, they always want to let citizens make the decision when it is feasible for the county to live with their decision. Chairman Faircloth opened the floor for further discussion.

Commissioner Edge stated although he supports allowing citizens to vote, he does not see how he can uphold the county's mission of being fiscally responsible by giving the citizens an opportunity to vote on this issue when taking into account the information that has been provided. Chairman Faircloth stated his concern is the county shouldering the entire debt burden because that is something he had not envisioned. Commissioner Council stated she applauded Mayor Chavonne's suggestion for a city-only bond referendum and commended him for his empathy with the county's budget concerns and taking a leadership role with this proposal.

In response to a question from Commissioner Keefe, Ms. Cannon stated the projection from 2.55 cents is approximately \$5 million per year and from 2.25 cents is about \$4.4 million in the early years. Commissioner Keefe questioned whether the proposed parks and recreation plan is what citizens of all municipalities want since it was developed by the City of Fayetteville. Commissioner Keefe suggested that monies derived from the tax could be allocated to individual municipalities to make their individual parks and recreation decisions; however, this would still leave the question as to whether the county wants to issue the debt and increase the tax rate 2.55 cents.

Commissioner King stated if this is truly a countywide parks and recreation system, then the joint parks and recreation system should be maintained and not be divided up by municipalities. Commissioner King stated if the cost is 2.55 cent, then that cost should be put out for a vote by citizens. Commissioner King stated his suggestion is to move forward with a countywide referendum if there is support to do so and make it work.

Commissioner Evans stated many of the current recreation centers are not being fully utilized and the senior citizens center has been an ongoing discussion for years. Chairman Faircloth stated he has received emails from citizens who are not happy with the senior citizens center as proposed in the parks and recreation plan. Commissioner Keefe stated there are still a lot of questions remaining to include whether citizens should be charged fees. Commissioner Edge stated he did not know who would ultimately make that decision and did not like that the issue has now fallen on the county's back. Commissioner Edge stated if the City of Fayetteville wants to hold a city-only referendum, then let them move forward. Commissioner Edge stated

commissioners are elected to make hard decisions and to be fiscally responsible; it is not up to the citizens to be fiscally responsible.

Chairman Faircloth stated should citizens vote to move forward with the bond issue, then the county has to decide whether to raise taxes, which no one wants to do, or impair the county's ability to handle its core functional mandates as directed by the state. Chairman Faircloth stated being fiscally responsible to him means keeping taxes as low as possible and accomplishing the county's required mission.

Commissioner Melvin stated he firmly believed matters should go before the people for a vote but he also firmly believed that the people voted for the current commissioners to make decisions for the county and not raise their taxes. Commissioner Melvin stated there are a lot of unanswered questions that commissioners need to think about before putting a tax increase before the county's citizens.

In response to a question posed by Commissioner King, Mr. Martin stated the current issues are whether the county is comfortable with assuming the entire debt, the lack of a fully developed Memorandum of Understanding for operational functions, and the charging of fees for admission to certain facilities. Mr. Martin stated of those three issues, the main one is whether the county is comfortable with assuming the entire debt.

Commissioner King stated it appears to him that the challenges can be resolved and are not insurmountable. Additional discussion followed.

MOTION: Commissioner Evans moved to decline to move forward with the general obligation debt issuance.

SECOND: Commissioner Melvin

DISCUSSION: Commissioner King stated should the motion pass, his fundamental concern is what it will do to the parks and recreation system in Cumberland County. Commissioner King asked to delay action until the May 21, 2012 meeting in the event a compromise arises. Commissioner Evans stated he could not vote for a tax increase that would ultimately be defeated. Chairman Faircloth questioned whether anything would change between now and May 21, 2012. Commissioner Keefe stated the county is voting whether it will issue the debt as proposed; it is not voting on whether or not it will participate at some level. In response to a question posed by Commissioner King, Mr. Martin stated there should theoretically be no change in the city/county parks and recreation system and his presumption is the City of Fayetteville would hold a bond referendum only within its city limits. Commissioner King stated the city/county parks and recreation system will be jeopardy and the county could not anticipate business as usual.

VOTE: PASSED (6-1) (Commissioners Melvin, Evans, Council, Edge, Keefe and Faircloth voted in favor; Commissioner King voted in opposition)

3. Report on Meeting with City of Fayetteville Regarding Transit in Rural Areas of the County

Mr. Martin stated county staff met with Kristoff Bauer, City of Fayetteville Interim City Manager, and Randy Hume, City of Fayetteville Transit Director, on April 18, 2012 as a follow up to discussion at the February 17, 2012 planning retreat. Mr. Martin stated during that meeting, city staff indicated they would be willing to work with the county to identify feasible areas for transportation and associated costs.

Commissioner Evans asked whether it would be preferable to work with the Fayetteville Area System of Transit (FAST) or contract services. Mr. Martin stated should the county move forward with transportation services, he felt it would be beneficial to attempt to work with FAST and pursue contract services for the county's current on-demand services as administered by the county's Planning Department. Mr. Martin stated the county could also put out a Request for Proposal (RFP) for transportation services from FAST and the private sector to determine which would be more financially feasible.

In response to a question posed by Commissioner Evans, Mr. Martin stated the earlier study that was conducted looked more at the consolidation of the demand-specific human service related transit activities conducted by the county and not at additional services. Mr. Martin stated there was a recommendation to consolidate the county's services and staff with the city's transit operations and staff. Mr. Martin further stated the concern he had with the study was that the services the county was able to provide to the greatest number of people would be diminished and reduced because the county would pay more per-unit of service to the FAST.

Chairman Faircloth stated the Board would once again have to decide whether it wanted to engage in municipal services because it just opposed entering into a municipal service by voting to decline to move forward with the parks and recreation general obligation debt issuance.

Commissioner Keefe asked whether the intent would be to maintain the demand-specific human service related transit activities while at the same time providing for additional transportation services. Mr. Martin stated in his mind the demand-specific human service related transit activities would continue in its current fashion until it became cost effective to provide the services through some other means. Mr. Martin stated his thinking has not been to move the demand-specific human service related transit activities into the FAST because of the cost issue and the reduced ability to service the demand. Mr. Martin stated what has to be determined through discussion and community and board input is whether the county is looking at transportation on a schedule basis or on a demand basis, which the county currently has. Commissioner Keefe asked whether 100% of the financing for transportation on a schedule basis would have to come from the county funds. Mr. Martin stated at this time he believed that would be the case.

4. Report on Proposed Classification and Pay Study

Mr. Martin stated the proposed classification and pay study was conducted as a result of the following goal and objective from the 2011-2012 Strategic Plan as adopted by the Board.

Strategic Plan 2011-2012

Implement Goal 5/Objective 5: Explore competitive pay and update classification system

Mr. Martin recognized James Lawson, Assistant County Manager, who introduced members of the study team Julean Self, Assistant Human Resources Director; Dan Domico, Human Resources Analyst; and Thomas Wright, Human Resources Consultant. Mr. Lawson stated the presentation by the study team would provide a summary of the challenges the county is facing with employee pay that is believed to stem from an outdated pay plan and pay policies. Mr. Lawson also stated the presentation will include several recommendations, one of which is an across the board pay increase for all county employees. Mr. Lawson further stated as the county moves forward with another difficult budget process, the Board will hopefully be put in a position to consider all of the recommendations because an across the board pay increase alone will not begin to address all the issues.

Mr. Lawson called on Mr. Wright to provide the report. Mr. Wright stated the county's present system is fifteen years old and the study team began looking at the present system in two phases; Phase I, the general government organization; and Phase 2, health and human services. Mr. Wright stated the Phase II pay and classification study has not yet been undertaken. Mr. Wright explained how the study process was conducted:

Study Process

- Research current system
- Collect up to date job and salary information
- Legal compliance
- Recommend HR system improvements
- Report findings and recommendations
- Implement

Mr. Wright explained how employee interviews led him to the personnel code which stated all employees should be brought in at the minimum, and how this made him look into the clustering around salary minimums and question what this was doing to the county's talent acquisition and talent management programs. Mr. Wright explained the following study findings:

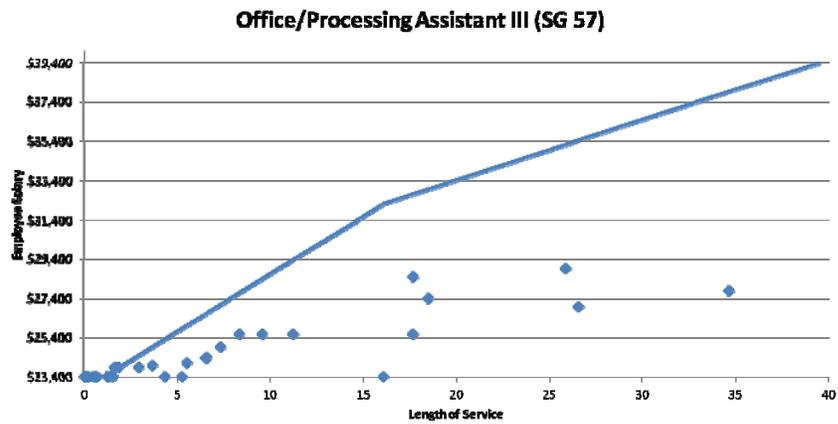
Study Findings

- Excessive classification titles
- 91% of employee salaries are below midpoint
- 18% of employee salaries are at the minimum
- Salary compression
- Salary inequities
- Personnel Code Chapter (10)

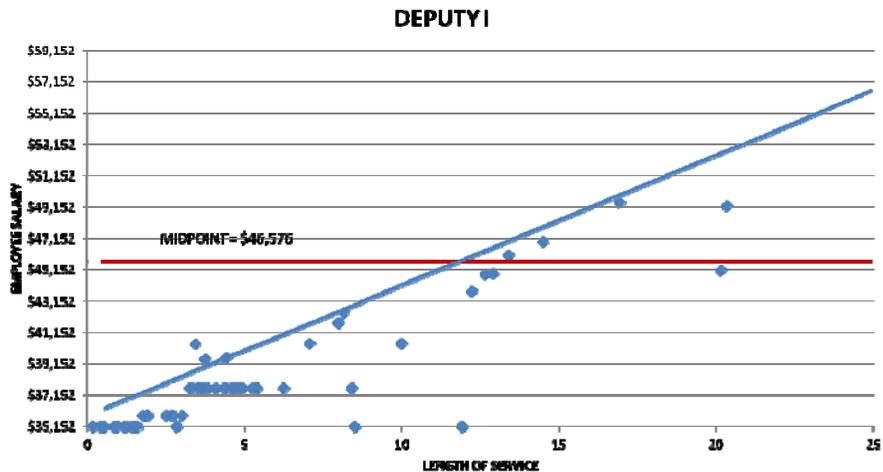
Mr. Wright stated even though the salary compression and salary inequities are really outside the scope of a true classification and pay study, there were recommendations made for salary administration should the Board of Commissioners decide to move forward. Mr. Wright stated this will also give more flexibility to county management.

Mr. Wright stated the study team took a sampling of twenty jobs and charted the salary compression as indicated in the two charts below. Mr. Wright stated from a pay or salary administration standpoint, one wants to try to move employees to the midpoint, which is the middle of the salary range, at a faster rate than seen after the midpoint. Mr. Wright explained the clustering that was revealed by the sampling was likely a result of the county's salary administration. Mr. Wright also stated if one bought into the philosophy that it wanted to recruit, retain, motivate and develop a diverse workforce, he was not sure the county's salary administration necessarily supported that. Mr. Wright explained how the county's practice of moving employees up the salary range through reallocations or promotions rather than horizontally down the range of their salary grade caused clustering of each salary grade.

Salary Compression



Mr. Wright stated there was a different dynamic in the area of law enforcement because they not only get longevity like other county employees, they also get career development increases of 5% at years 3, 7, 11, 15, 19, and 23. Mr. Wright stated because of the career development increases, there is more movement to the midpoint, but there is still clustering at the minimum range with a \$4,000 separation up to five years.



Mr. Wright reviewed the following classification system, salary plan and pay administration recommendations. Mr. Wright and Mr. Lawson responded to questions.

Classification System Recommendations

- Reduce the number of job titles or classifications up to 100
- Adhere to legal requirements
- Update education and experience requirements to be more relevant to work performed to meet business needs and requirements of the job
- Recommend Personnel Code/classification policy modifications
- Implement classification recommendations with appropriate pay adjustments
- Retain current classification plan for Human Service agencies until Phase II of study completed

Salary Plan Recommendations

- Maintain present salary grade schedule with addition of four grades
- Combine law enforcement salary schedule with the general government recommended pay plan
- Present salary range spread is 68.3% - any COLA increases should not impact/change the minimums and maximums (a decision would need to be made for employees near the maximum whether to red circle them, give them any COLA increases awarded, and take them to the maximum; or give them any COLA increases awarded in the form of a bonus)

Pay Administration Recommendations

- Update Personnel Code and pay policies
- Compensate employees based on experience and training vs. minimum
- Institute an annual step plan for Detention and Law Enforcement personnel from sergeant and below – recommendation is that new employees hired after July 1, 2102 not be eligible for the step plan for two years out so existing employees can move within their range and end the compression and stop the inequities
- Discontinue longevity for all new county employees hired on or after July 1, 2012 – county current pays longevity in the amount \$1,143,000 per year which will continue to increase as salaries increase and COLAs are awarded – existing employees will be grandfathered
- Discontinue law enforcement career development for all new county employees hired on or after July 1, 2012
- Salary inequities – will take a tremendous amount of work to identify the salary inequities, what they are, and how much they will cost the county

Mr. Wright reviewed the recommended actions for the Board's consideration:

Action Items for Board's Consideration

- Approve the new classification plan
- Approve the new compensation plan
- Approve any revisions to Chapter 10: Personnel Code
- Approve funding

Mr. Wright stated when the study team considered the dollars associated with the recommendations, they broke it out into three years because of possible budget constraints. Mr. Wright reviewed the three-year implementation plan as follows:

Implementation Year One

- Implement Classification and Pay Plan - \$1.3 million Not Including Benefits (NIB)
- Fund Across-the-Board Increase - 1% = approx. \$900,000 (NIB)
- Implement Step Plan for Detention and Law Enforcement for existing employees (Sergeant and below)
- Discontinue longevity pay for new employees (present employees grandfathered)
- Discontinue Career Development for new employees (present employees grandfathered)
- Begin salary equity study
- Begin Phase II of Classification and Pay Study

Implementation Year Two

- Implement first phase of equity study
- Completion of Phase II of the Classification & Pay Study and appropriate funding
 - Make necessary revisions to class and pay plan
- Fund Step Plan for Detention & Law Enforcement personnel hired after 7/1/12
- Fund pay enhancement programs that move employees through their salary ranges

Implementation Year Three

- Continue salary equity evaluation and pay adjustments
- Consider funding Pay for Performance Program

In response to a question posed by Commissioner Keefe, Mr. Wright stated in order to implement a pay for performance program, the focus should be that the ratings are fair, they are objective, and they are tied to the goals and objectives of the organization. Mr. Wright explained at present, half of the county departments have a performance system and half of them do not, and some use the performance system only to discipline employees. Mr. Wright stated with a pay for performance program, the county needs to ensure that supervisors are trained on how to evaluate employees. Mr. Wright explained as a rule, 20% of employees are outstanding, 70% of employees meet their goals, and 10% of employees need to consider other opportunities in the workforce. Mr. Wright stated there are different models of pay for performance programs that include base pay improvements and bonuses for outstanding employees. Additional questions followed.

Chairman Faircloth stated the Board would take the report under advisement and ask county management to work on matters as the process moved forward.

The Board recessed for a ten minutes break and upon reconvening, Mr. Martin called on Mr. Moorefield to present Item 5.

5. Report on Mental Health Divestiture of Service and the Managed Care Organization (MCO)

Mr. Moorefield stated he has had communications with Mark F. Botts, Associate Professor of Public Law and Government with the UNC School of Government, regarding the Durham, Cumberland and Johnston County arrangement because there are several issues confronting the county as a part of its budget process.

Mr. Moorefield reported one of the issues is how this arrangement will impact what has been the county's traditional funding of the Mental Health Authority. Mr. Moorefield stated there is a 1997 Memorandum of Understanding (MOU) that Mental Health regards as a binding contractual obligation for the county to pay Mental Health \$4.3 million a year forever. Mr. Moorefield stated the MOU was not pre-audited and in a legal context the document has no meaning, is not enforceable, and creates no obligation for Cumberland County although it has been the basis for the traditional funding of Mental Health. Mr. Moorefield stated historically Mental Health has returned \$1.7 to \$1.8 million of its budget into what it considers to be its fund balance, which at the beginning of fiscal year 2011-2012 was about \$18 million, and the agreement purportedly allows this to be done. Mr. Moorefield stated as of January 2013, the Cumberland County Mental Health Authority will no longer be able to legally provide direct services so the situation will be quite different than it was in 1997. Mr. Moorefield stated the question is whether the county has to continue to pay the Mental Health Authority \$4.3 million, which it has not spent for a number of years, and how best to address this issue.

Mr. Moorefield reported another issue involves the agreement the Mental Health Authority has with the Durham County Mental Health Authority in which Durham County will be the MCO for Durham, Cumberland and Johnston counties. Mr. Moorefield stated Durham and Wake counties have now merged effective July 1, 2012 and it is his understanding from talking with Mr. Botts that there is a new agreement coming out of this merger. Mr. Moorefield stated Durham County will no longer need the Cumberland County Mental Health Authority as a result of this merger and he is attempting to understand the relationship between Durham and Wake counties. Mr. Moorefield stated that relationship is significant because it appears Durham County is essentially subcontracting the MCO responsibility to the Cumberland County Mental Health Authority for the services that are going to be provided in Cumberland County regardless of who is providing the services.

Mr. Moorefield reported the Mental Health Authority also wants to place the few services they are still providing with other county departments. Mr. Moorefield stated one of these placements would be the provision of guardianship services to ninety-six clients with the Department of Social Services. Mr. Moorefield stated by general law, the director of social services is the guardian of any person needing a guardian who does not have one so this is likely a good fit. Mr. Moorefield stated another placement is the Projects for Assistance in Transition from Homelessness (PATH) program which would be an appropriate fit for the Community Development Department. Mr. Moorefield stated the Mental Health Authority is also attempting to arrange for the Public Health Department to take on its clinical psychiatric services staff so the Health Department could become a vendor of those services, which would then have to be approved by Durham County as the MCO. Mr. Moorefield stated the issue at this point is that he does not understand how the Mental Health Authority can be an intermediary between the direct provision of services and the MCO since they are subcontracting to perform the MCO services.

Mr. Moorefield stated in essence the issues are whether the county is legally obligated to continue to fund the Mental Health Authority under its new capacity and the Mental Health Authority's fund balance. Mr. Moorefield stated by statute, the Mental Health Authority is a county department for all of Chapter 159 purposes which means the fund balance is county money. Mr. Moorefield stated the Mental Health Authority has not spent \$4.3 million in any given year for a long time.

Mr. Moorefield stated Mr. Botts has agreed to discuss the matter further with both him and the attorney for the Mental Health Authority. Mr. Moorefield informed the Board he does not plan to provide any recommendations or sign off on any documents until he has the clarification he feels is needed.

Commissioner Keefe asked whether the \$4.3 million would be diverted to the other county departments that are taking on the provision of the various services from the Mental Health Authority since there would be added costs for them to do so. Mr. Moorefield stated the expectation of the Mental Health Authority is that the county continues to pay it the \$4.3 million and that they continue to pay for the services. Commissioner Keefe stated in his opinion the county needs to stop payment to the Mental Health Authority.

Commissioner Edge stated his understanding is that the county can take the fund balance at any time it so chooses. Commissioner Edge also stated should the four counties actually come together, then Cumberland County needs to find out what type of representation it is going to have on the MCO board. Commissioner Edge stated this is a concern all across the state. Mr. Moorefield stated in the existing agreement, the Cumberland County Board of Commissioners will not make appointments to the MCO board but can make recommendations to Durham County. Mr. Moorefield stated Durham County will make the appointments and has agreed to let people who do not reside in Durham County serve on the MCO board.

Commissioner King stated if other options are available, then they need to be explored. Commissioner King stated he concurs with Commissioner Edge's comment regarding the fund balance.

Commissioner Council stated there is clearly a need in the county for these services, but she is concerned about the transfers to other county departments and would like to see the performance rates for underperforming units and have it determined whether there is a legal requirement for the transfers. Commissioner Council also stated she concurs that the fund balance belongs to the citizens of Cumberland County and it should not be left on the table. Mr. Martin stated he has had conversations with the medical director, the mental health director and a number of mental health administrative staff, and the health department that they need to be as self-sustaining as possible in terms of the productivity of the patients being seen and billing that occurs as a result of seeing more patients. Mr. Martin stated Dr. Chandler has indicated that if each provider can bill 1,600 billable hours per year, then it will be self-sustaining. Mr. Martin stated the cost of the psychiatric program is over \$3 million and at present the projection for revenue generated is \$1.9 to \$2 million.

The Board accepted the report and asked to be kept informed.

6. Report on Scheduled Sales Tax Agreement Meeting with City of Fayetteville

Mr. Martin stated arrangements have been made to have a meeting with staff of the City of Fayetteville on May 24, 2012 regarding the sales tax agreement. Mr. Martin stated in North Carolina, county commissioners are charged with implementing local option sales taxes and can prescribe on an annual basis the method in which those sales taxes are allocated between the county and its municipalities. Mr. Martin stated allocations can be made on a per capita basis or on an ad valorem tax basis; in the ad valorem tax basis method the county would have to allocate sales taxes between all of the municipalities in addition to any other taxing jurisdictions and sub-jurisdictions.

Mr. Martin stated the county has maintained the distribution based on population and when it is based on population, any municipality that engages in annexation gains sales tax and the county and all other municipalities lose money because of the reallocation of the available sales tax. Mr. Martin stated as a result of annexations by the City of Fayetteville, the county has initially suffered a gross loss of sales tax exceeding \$10 million and all other municipalities have suffered proportionately. Mr. Martin stated in 2004 the county was able to negotiate with its municipalities an agreement that any municipalities annexing population property would hold the county harmless for 50% of the loss of sales tax. Mr. Martin explained as a result of that agreement, the county is receiving about \$5.2 million in hold harmless tax reallocation from the City of Fayetteville. Mr. Martin further explained when the county was required to approve the City of Fayetteville and Town of Spring Lake's annexation of Fort Bragg, the county received a 100% hold harmless of the calculated loss as an amendment to the agreement.

Mr. Martin stated on June 30, 2013, the sales tax agreement will expire and the county's intent at the May 24, 2012 meeting is to seek input from the City of Fayetteville on the agreement going forward. Mr. Martin stated ultimately the Board of Commissioners will make the decision regarding the distribution of the sales tax. Mr. Martin advised the distribution formula can be changed in April every year and the Board will need to know before April 2013 whether the City of Fayetteville wishes to renew or amend the present agreement. Mr. Martin responded to questions.

Chairman Faircloth stated if it is possible to secure the information, he would like to know what the effect has been on the county and smaller municipalities since it entered into the sales tax agreement and what the effect would have been had the agreement been different, to include the impact of revaluation and change in tax rates. Mr. Martin stated the tax rate has no bearing on the distribution of sales tax but it would were the county to switch to the tax levy option.

7. Discussion of Technological Upgrades for Board of Commissioners

Candice White, Clerk to the Board, stated at its February 17, 2012 planning retreat, the Board requested additional information about the use of iPads. Ms. White reviewed the following information:

iPAD Pricing :

iPad Verizon3G 16GB \$629.99

iPad Verizon3G 32GB \$729.99

Which is the most suitable for the Board of Commissioners and associated staff?

Most other government entities are using iPad2 16GBs.

How will going wireless impact the commissioners current set up?

The current setup for the Commissioners consists of a 17" laptop with a RoadRunner Internet connection at their homes. There will be no need to continue the Internet Service at their homes due to Verizon 3G Internet being built into the iPad.

What are the default applications for iPads?

Safari Web browser

Mail

Photos

FaceTime

Maps

Newsstand

Messages

Calendar

Reminders

Contacts

App Store

iTunes

Music

Videos

YouTube

Notes

Game Center

Photo Booth

Camera

Will an application be needed in order for commissioners to open PDFs on iPads? No

Is there a county policy regarding the use of ipads?

No current policy but we are working on revising our current policy to include iPads

Will access to certain things be blocked as with the current laptop computers? No

Will there be limitations/restrictions placed on the use of iPads issued by the county?

To be decided. Users will be required to enter a security pass key.

Who will stock the iPad batteries to power non-wireless operation and what is the cost per battery? Apple's one-year warranty includes replacement coverage for a defective battery. You can extend your coverage to two years from the date of your iPad purchase with the AppleCare Protection Plan for iPad. During the plan's coverage period, Apple will replace the battery if it

drops below 50% of its original capacity. If it is out of warranty, Apple offers a battery replacement for \$99, plus \$6.95 shipping, subject to local tax. Apple disposes of your battery in an environmentally friendly manner.

What about insurance for the iPads? See statement below.

What about warranties for the iPads? Every iPad comes with one year of hardware repair coverage through its limited warranty and up to 90 days of complimentary support. AppleCare+ for iPad extends your coverage to two years from the original purchase date of your iPad and adds up to two incidents of accidental damage coverage, each subject to a \$49 service fee. Whether you use your iPad with a Mac or a PC, just one phone call can help resolve most issues.

Commissioners have requested a training session for iPads. Who can conduct the training and what will be the timeframe for the training? To be determined

Are there other costs associated with iPad usage? Cost of apps, Verizon 3G, Insurance and Repair costs such as shipping, handling and service fees.

What will be the total cost for iPad usage?

Item	One Time Cost	Recurring
18 iPads @\$729.99 each	\$13,139.82	
2 year AppleCare Protection @\$79.97	\$1,439.46	\$1439.46 every 2 years
Verizon 3G @ \$43.05 month	\$9,300.00	\$9,300.00 yearly
iPad apps @\$50.00	\$900.00	
Total	\$24,779.28	

The Chart below shows some data collected via a listserv concerning the use of iPads by city councils and county commissioners.

County\Municipality	iPad Size	Verizon 3G
Ashe	16 GB	Yes
Davidson	16 GB	Yes
Town of Winterville	16 GB	Yes
Town of Hickory	16 GB	No (Wifi only)
City of Greenville	16 GB	Yes (2GB data plan)
Town of Kernersville	16 GB	No (Wifi only)
City of Knightdale	16 GB	No (Wifi only)

Commissioner Council inquired regarding wireless printers. Ms. White stated IS will need to perform further testing before making a recommendation. Discussion followed. Commissioner Keefe asked to have charging stations installed on the dieses. Chairman Faircloth asked that the iPads be in place by July 1, 2012.

MOTION: Commissioner Keefe moved to go forward with the recommendation of Information Services (IS) staff to purchase iPads for County Commissioners and associated staff to include accessories.

SECOND: Commissioner Melvin

VOTE: UNANIMOUS (7-0)

8. Discussion of Animal Control Pet Licensing

Mr. Martin stated the draft Animal Control Ordinance went before the Policy Committee at its May 3, 2012 meeting and will come before the full Board on May 21, 2012. Mr. Moorefield clarified should the ordinance be adopted, it will require veterinarians to collect pet licensing fees; however, the county can not make veterinarians collect the fees when one of their clients refuses to pay. Mr. Moorefield stated veterinarians will be required to report those clients who do not pay. Mr. Moorefield responded to questions and a brief discussion followed. Mr. Moorefield clarified that no one in Cumberland County is proposing to report any veterinarian to the state licensing board.

Mr. Martin stated the current licensing fee is \$7.00 for spayed/neutered pets if they are voluntarily listed on annual tax forms and under this proposal there may be some sharing of revenue with the administering veterinarians. Mr. Martin asked if consideration could be given to raising the fee to accommodate this. Discussion followed. Commissioner Keefe stated he hoped to keep the fee at \$7.00 and give veterinarians \$2.00 because he felt more fees would be collected at \$7.00. Mr. Moorefield stated the proposed ordinance makes the change in the pet licensing system but does not address the fee schedule. Mr. Moorefield stated the current fee schedule will stay in place until January 1, 2013. Mr. Martin stated the proposal is to set the fee as one of the provisions of the budget ordinance and the fee can be changed from year-to-year should that be the desire of the Board.

Commissioner Keefe asked how additional revenues generated by the collection of licensing fees would impact the Animal Control Department. Mr. Martin stated it would not be directly tied to the recovery of an expense but will be a revenue source for the general fund and for additional expenses that may be added to the Animal Control Department.

9. Other Matters of Business

Commissioner King requested an update on TigerSwan. Mr. Moorefield reported TigerSwan was re-permitted within the past few weeks using the closest classification per the ordinance amendment and since the focus on TigerSwan has been the rifle range, it was re-permitted as outdoor recreation or amusement for profit. Mr. Moorefield stated the only other rifle range permitted in the county was permitted as outdoor recreation or amusement for profit. Mr. Moorefield stated since that happened, the plaintiffs have filed an appeal with the Board of Adjustment for the Board of Adjustment to consider the planning director's interpretation of the ordinance under the new provision; this is scheduled for June 21, 2012. Mr. Moorefield stated the county attorney's office can not represent staff and advise the Board of Adjustment, so he

anticipated hiring a local attorney to represent staff at that hearing. Mr. Moorefield stated he will advise the Board of Adjustment with respect to evidence.

Commissioner Keefe requested that “New Courthouse” be stricken from the Board of Commissioners’ stationary and that it be referenced as the “Cumberland County Courthouse”.

Commissioner Melvin referenced an email received recently on “Yes Port” and asked whether the Board of Commissioners should adopt a resolution or make any comment. A brief discussion followed. Mr. Martin referenced the resolution adopted by the Board on May 2, 2011. Commissioner Faircloth asked Mr. Martin to provide background information to the Board and place on the May 21, 2012 agenda.

Commissioner Evans asked that staff forward to the media and The Fayetteville Observer the resolution in support of retaining the U. S. Postal Service’s mail processing and distribution facilities in Fayetteville, North Carolina which the Board previously adopted. Consensus supported the request.

Chairman Faircloth referenced the Fayetteville-Cumberland County Chamber of Commerce’s recent release of the Garner Report. Discussion followed. Chairman Faircloth encouraged the Board to read the report.

There were no other matters of business.

The meeting adjourned at 11:53 a.m.

Approved with/without revision:

Respectfully submitted,

Candice H. White
Clerk to the Board