

CUMBERLAND COUNTY BOARD OF COMMISSIONERS
MAY 28, 2015 – 5:30 PM
117 DICK STREET, 5TH FLOOR, ROOM 564
SPECIAL MEETING – FY16 BUDGET WORK SESSION
SPECIAL MEETING MINUTES

PRESENT: Commissioner Kenneth Edge, Chairman
Commissioner Marshall Faircloth, Vice Chairman
Commissioner Glenn Adams (arrived 5:40 p.m.)
Commissioner Jeannette Council
Commissioner Charles Evans
Commissioner Jimmy Keefe
Commissioner Larry Lancaster
Amy Cannon, County Manager
James Lawson, Deputy County Manager
Melissa Cardinali, Assistant County Manager
Tracy Jackson, Assistant County Manager
Rick Moorefield, County Attorney
Vicki Evans, Finance Director
Kelly Autry, Finance Department
Bob Tucker, Finance Department
Todd Hathaway, Finance Department
Deborah Shaw, Finance Department
Sally Shutt, Governmental Affairs Officer
Keith Todd, Information Services Director
Jeffrey Brown, Engineering and Infrastructure Director
Candice White, Clerk to the Board
Kellie Beam, Deputy Clerk
Press

Chairman Edge called the meeting to order. Commissioner Lancaster provided the invocation.

Chairman Edge recognized Amy Cannon, County Manager, who summarized a comparison of revenue growth to recurring expenditures in the FY16 recommended budget:

FY16 Budgeted Growth in Revenue (Large sources)	
Sales Tax	\$2,186,909
Ad Valorem (includes Tax and Tag)	<u>\$3,274,843</u>
Total	<u>\$5,461,752</u>
FY16 Budgeted Recurring Expenditures (Large sources)	
Investment in workforce (3% COLA)	\$2,347,170
New positions	737,780
Board of Education	911,446
Fayetteville Technical Community College	456,588
Vehicles	<u>965,045</u>
Total	<u>\$5,418,029</u>

Ms. Cannon responded to questions posed by Commissioner Faircloth and Commissioner Keefe regarding vehicles and stated since the Crown Victoria is no longer made, the cages, light bars and related accessories can no longer be used and have to be purchased. Ms. Cannon stated vehicles are purchased off state contract and when vehicles are replaced, there is a rotation around the fleet so the worst vehicles are taken off the road first. Ms. Cannon stated it takes time to work through this process which means there have not been a lot of vehicles to sell on GovDeals.

Ms. Cannon began a review of the FY16 recommended budget book and the various schedules contained therein. For Capital Outlay, Ms. Cannon pointed out the requesting departments, items requested and items recommended with associated costs and funding separation between General Fund and separate funds. Questions followed and Ms. Cannon explained items requested versus items recommended and funding other than county such as state, federal or fees. Ms. Cannon

called attention to the Solid Waste Management MSW Shredder and stated it will handle household large bulky items that do not disintegrate well in the land fill; shredding these items will also reduce the container amount, preserve the life of the land fill and the shredder will quickly pay for itself. Ms. Cannon stated the expenditure will come from the Solid Waste Enterprise Fund. Ms. Cannon called attention to the Track Wood Hog replacement item and stated it is a tub grinder that turns wood products into mulch which the county sells. Ms. Cannon stated Solid Waste Management is hoping to purchase the Melvin dumpster site and the camera is to be used in hopes of catching individuals that are illegally dumping debris in areas where trash should not be dumped.

In response to a question from Commissioner Faircloth, Ms. Cannon stated the Sheriff's Office did not request body cameras due to costs and issues associated with storing the data. Ms. Cannon stated the state is reviewing body cameras and the associated policies and once the policies are addressed, there may be more information for the Sheriff's Office to move forward. Ms. Cannon stated body cameras are a significant expenditure and storage of the data is significant.

With regard to the New Vehicles schedule, Commissioner Evans inquired regarding the purchase of new vehicles. Ms. Cannon stated new vehicles are purchased off state contract and local vendors can participate in the statewide bid; at present there are no local vendors that are dealers on state contract.

With regard to the Maintenance and Renovations schedule, Ms. Cannon stated Jeffrey Brown, Engineering and Infrastructure Director, worked with departments and the requests on the schedule are in priority order; the total requested was \$821,466 and the amount recommended is \$372,216 with priorities 1-21 funded from county funds. A brief discussion followed regarding the maintenance and cleaning needs in various county facilities.

Ms. Cannon briefly reviewed the Proposed Fee Schedule Changes and stated Solid Waste Management has a difficult time collecting accounts from haulers and the hope is that the 1.5% past due charge on account balances will assist with collections.

Chairman Edge asked how many new homes are sitting on the market with no one paying property taxes until they are sold and the taxes are paid retroactively. Ms. Cannon stated she would see whether the Tax Department has that information.

Ms. Cannon called attention to the Community Funding schedule and stated three new agencies requested funding: Vision Resource Center, Ft. Bragg Regional Alliance and the Spring Lake Chamber of Commerce. Ms. Cannon stated funding was not recommended for any new agencies that had not already received funding and the other organizations/outside agencies not set by contract or a percentage were kept at the same funding level as the current year. Ms. Cannon responded to questions.

Commissioner Keefe inquired regarding audits submitted by agencies receiving Community Funding, parameters for determining whether the agencies are an advantage to the community and whether the services are being provided at the appropriate level. Commissioner Keefe further inquired whether there was a recognized value in what the County gives to agencies occupying County buildings. Ms. Cannon stated the Mid-Carolina Council of Governments does not currently have a lease and plans are to work on that in the new year. Ms. Cannon stated this is the first year the Ft. Bragg Regional Alliance has occupied a County building without paying rent and they are allowed to stay rent-free "in kind" without funding because it is better to have a building occupant. Ms. Cannon stated the audits conducted internally are special procedures and financially based to make sure the agencies have policies and procedures, have meetings and an active Board, and have expenditures and revenues tied to the services they are to provide. Ms. Cannon stated the County also receives a copy of the IRS Form 990 that most tax-exempt organizations must file annually.

Commissioner Evans expressed concerns about funding The Alliance Economic Development \$410,000 because of current uncertainties regarding the future of the economic development program. Commissioner Evans stated he would like to hold off funding the agency until more is known. Ms. Cannon stated the Chamber Task Force released their recommendations at the same time the recommended budget was printed and the \$410,000 is a placeholder recognizing that

there will probably be changes. Ms. Cannon stated part of the Task Force's recommendation was that \$205,000 or one-half a year's funding be retained for a six-month transition period and after December 31, 2015, the Board will determine the direction and the funding which will probably be less than \$410,000 for the entire year. Commissioner Adams stated the Board has not yet taken action, it appears the Task Force created the same thing that currently exists and speaking only for himself, he is not certain he wants to go in this direction for the next six months. Chairman Edge explained the new concept that is being developed for the next six months. Commissioner Adams stated he is not sure he wants to pay the Chamber and its CEO for six months since the CEO resigned effective in December and he thought the Task Force's recommendations would be brought back for discussion. Questions and discussion followed. Commissioner Keefe suggested that the Board consider a six-month budget and that the amount budgeted is reduced from \$410,000 to \$205,000. Commissioner Keefe stated the Board can amend the budget at a later time.

MOTION: Commissioner Keefe moved that the FY16 budget allocation for The Alliance for Economic Development is \$205,000 for six months.

SECOND: Commissioner Faircloth

DISCUSSION: Commissioner Evans inquired whether the Fayetteville Regional Chamber submitted reports on the funding it received from the County. Ms. Cannon stated the Chamber submits quarterly statements when it requests reimbursements which include performance information and their activities. Ms. Cannon stated the new contract should contain performance measures and mandatory reporting to include reporting before the Board on their activities and accomplishments.

VOTE: UNANIMOUS (7-0)

With regard to the New Positions schedule, Ms. Cannon stated of the 113 new positions requested, 15 were recommended. Ms. Cannon referenced a letter received from the Social Services Board Chair following the May 26 recommended budget presentation in which the Social Services Board requested that the remaining 20 time-limited positions be included in the budget. Ms. Cannon stated the recommended budget continues funding for 25 time-limited positions. Chairman Edge inquired regarding timing for the state audit mentioned in the budget message. Ms. Cannon stated the operational support team for the state is not yet in place and the recommendation is that the review be conducted by the new Enterprise Solutions Division together with the state. Ms. Cannon stated she and the Department of Social Services (DSS) Director Brenda Jackson will further coordinate the timing. Questions followed regarding the positions requested by DSS. Ms. Cannon explained 33 out of 65 positions requested are related to Medicaid and those 33 positions draw down 75% funding with a county match of \$300,000. Ms. Cannon stated DSS requested 65 positions with a county match of \$1 million. Ms. Cannon stated several meetings were held to discuss options and the option DSS brought forward was for 58 positions which only reduced the county match \$50,000.

With regard to the Proposed Salary Schedule, Ms. Cannon stated with the 3% COLA, consideration has been given to bumping up the minimum or starting salaries by 1.5% effective July 1 to take care of salary compression and to help keep up with competitive salaries from a market standpoint; the 1.5% would only affect vacant positions and newly hired employees. Questions followed.

With regard to Debt Service and the Summary of Current Debt, Ms. Cannon stated the Fund Balance is projected to be at 10%. Chairman Edge referenced the General Fund Debt Service Projections and stated the debt service will begin going down in 2017, 2018 and 2019.

Ms. Cannon reviewed the General Fund Revenue by Category and by Source and stated ad valorem taxes at 54% and sales taxes at 12% make up the majority of the revenue in the General Fund. Ms. Cannon stated the Revenue by Fund and Source is a schedule that lists every revenue line item in the General Fund and the amount projected and included in the General Fund budget. Ms. Cannon stated the Revenue by Fund and Source schedule has also been provided for Separate Funds such as the Emergency Telephone System Fund, the County School Fund and the Prepared Food and Beverage Tax.

Ms. Cannon reviewed the Revenue by Source schedule which lists County departments and revenues attributable to those different cost centers or departments.

Commissioner Keefe noted fire taxes were in line with previous years and asked whether there were any recommendations for supporting the low wealth districts. Ms. Cannon stated there are five low wealth departments and they receive some of the special fire tax which is included in the recommended budget.

Chairman Edge stated the Board will take the Capital Improvement Plan (CIP) under advisement and asked whether there was an associated timeline. Ms. Cannon noted projects under the timeline for FY16-20+ and stated the CIP is projected five years out.

MOTION: Commissioner Council moved to adjourn.
SECOND: Commissioner Evans
VOTE: UNANIMOUS (7-0)

There being no further business, the meeting adjourned at 7:05 p.m.

Approved with/without revision:

Respectfully submitted,

Candice H. White
Clerk to the Board