

CUMBERLAND COUNTY BOARD OF COMMISSIONERS
MAY 31, 2016 – 5:30 PM
117 DICK STREET, 5TH FLOOR, ROOM 564
SPECIAL MEETING – FY17 BUDGET WORK SESSION
MINUTES

PRESENT: Commissioner Marshall Faircloth, Chairman
 Commissioner Glenn Adams, Vice Chairman
 Commissioner Jeannette Council
 Commissioner Kenneth Edge
 Commissioner Jimmy Keefe
 Commissioner Larry Lancaster
 Amy Cannon, County Manager
 James Lawson, Deputy County Manager
 Melissa Cardinali, Assistant County Manager
 Tracy Jackson, Assistant County Manger
 Sally Shutt, Governmental Affairs Officer
 Rick Moorefield, County Attorney
 Vicki Evans, Finance Director
 Deborah Shaw, Budget Analyst
 Heather Harris, Budget Analyst
 Candice White, Clerk to the Board
 Kellie Beam, Deputy Clerk to the Board
 Press

ABSENT: Commissioner Charles Evans

Chairman Faircloth called the meeting to order.

Amy Cannon, County Manager, recognized Vicki Evans, Finance Director, who provided the handout recorded below on the status of Capital Improvement Plan financing. Ms. Evans explained adjustments by the County’s financial advisor and Cherry Bekaert which removed items considered repairs or maintenance that were deemed non-capitalizable. Ms. Evans stated these removals reduced the initial amount to be financed from \$9.8 million to \$9.18 million. Ms. Evans stated the \$1.1 million, which represents projects requiring more immediate attention, is going before the LGC at their June 7 meeting and the remaining amount of \$8 million will be considered by the LGC during FY17 in September or October. Ms. Evans summarized the governmental (63%) and Crown (37%) items considered for CIP financing.

	<u>REVISED</u>	<u>PREVIOUSLY</u>	<u>CB</u> <u>CHANGE</u>	<u>FY16</u> <u>BUDGET (3 AREAS)</u>	
2016	4,255,763	4,326,063	(70,300)	9,823,625	TOTAL
2017	1,205,041	1,234,041	(29,000)	555,688	ANNUAL MAINT REMOVED
2018	2,892,695	2,864,695	28,000	9,267,937	
	<u>8,353,499</u>	<u>8,424,799</u>	<u>(71,300)</u>		
	9,188,849	9,267,279	(78,430)	\$1.1M GOING TO LGC JUNE 7	
				811,151 remaining	
STATUS OF CAPITAL IMPROVEMENT PLAN FINANCING					
(1) FY16 CIP AMOUNT ACROSS 3 PRIMARY AREAS (parking lots, roofs, building exterior) FOR FY16, FY17 & FY18					
Began		\$ 9,823,625			
Adj. for annual maintenance		(555,688)			
Revised amount sent to LGC		<u>\$ 9,267,937</u>			
(2) LGC RECOMMENDED FURTHER ANALYSIS OF THE AMOUNTS - CHERRY BEKAERT WROTE AN OPINION WHICH INCLUDED A REMOVAL OF ITEMS CONSIDERED REPAIRS OR MAINTENANCE (DEEMED NON-CAPITALIZABLE)					
Revised amount sent to LGC		\$ 9,267,937			
Adj. by Cherry Bekaert		(78,430)			
Revised amount to be financed		<u>\$ 9,189,507</u>			
(3) BREAKDOWN BY MAJOR AREA - ITEMS CONSIDERED FOR CIP FINANCING					
Governmental		<u>\$ 5,807,777</u>	63%	Crown	<u>\$ 3,381,730</u> 37%
PARKING LOTS		1,331,900	23%	PARKING LOTS	1,149,720 34%
ROOFS		1,488,401	26%	ROOFS	1,940,510 57%
BUILDING EXTERIOR		2,987,476	51%	BUILDING EXTERIOR	291,500 9%
(4) \$ 1,100,000	- amount of projects being considered by the LGC at their June 7th meeting				
(5) \$ 8,088,849	- the remaining amount will be considered by the LGC during FY17 (likely, September or October 2016)				
<i>Funding resolution authorizes total funding of \$10 million - for projects that meet capitalization criteria</i>					
<i>Amounts include 10% contingency and 10% engineering fees</i>					

Ms. Evans pointed out that the funding resolution authorized total funding of \$10 million for projects that meet capitalization criteria and that amount includes a 10% contingency and 10% engineering fees. Questions followed regarding the type of financing and the County’s financial advisors. Ms. Cannon stated the financing is similar to a draw program. Ms. Cannon also stated an extensive RFP process was undertaken in 2008 for a financial advisor, several firms were interviewed and DEC and Associates was the recommendation brought to and approved by the Board of Commissioners. Ms. Evans noted an RFP for bond counsel will be on the agenda for the June 2 meeting of the Finance Committee.

Ms. Cannon recognized Jeffrey Brown, Engineering and Infrastructure Director, who provided the following presentation as a review of the Capital Improvement Plan.

Mr. Brown stated his presentation will include an overview of the following:

- Update on 2016 CIP Projects
- Identified Needs for FY 17

Mr. Brown provided an update on the major and minor building system projects, FY16 financing and status of the projects as recorded below:

Major Building Systems – FY16		
Project	FY 2016	Status
Detention Center hot water heaters	\$198,000	Bids In - Facilities Committee approval on June 2 nd - BOC approval on June 20 th
Courthouse camera replacement (Phase 1)	40,000	Project is approximately 15% complete
Security camera upgrade at Detention Center	377,263	Project is approximately 20% complete

Commissioner Edge noted the same amount was allocated for Detention Center hot water heaters in FY16 and FY17 and asked whether the courthouse camera replacement was a three-year project. Mr. Brown stated that was correct and some projects are being phased in order to handle projects with the most critical needs for FY17. Other questions followed.

Mr. Brown noted the Cliffdale Library was identified in the CIP for the air cooled chiller replacement; however, the East Regional Library was experiencing greater issues so the decision was made to substitute those two projects. Mr. Brown also explained funds were diverted from the AC/Sheriff Training drainage improvements when greater issues began occurring with the Cliffdale Library chiller. Mr. Brown stated the project is out to bid and the hope is to have the purchase order issued before the end of June.

Minor Building Systems – FY16		
Project	FY 2016	Status
Replace air cooled chiller at East Regional Library	\$72,000	Complete
Replace burner and controls on boiler at Historic Courthouse	50,000	Complete
HVAC/boiler engineering evaluation of Spring Lake FRC	7,500	Complete
AC/Sheriff Training drainage improvements	80,000	Substituted Cliffdale Library chiller for this project (currently out to bid)

Mr. Brown continued by providing highlights of the FY16 Public Utility projects below:

Public Utilities – FY16

- Overhills Park Sewer Project
 - Bids due on June 7th
 - LGC approval on August 2nd
 - Construction to begin late September or early October

- Bragg Estates Sewer Project
 - Currently in design phase
 - Reviewing possible sewer routes

Mr. Brown stated the Crown Complex projects below represent four critical projects recently brought before the Facilities Committee and it was recommended that the Sheriff’s Office be involved with the camera and radio systems project at the Coliseum. Mr. Brown stated this has been accomplished and quotes are being awaited from vendors. Mr. Brown provided highlights of the remaining Crown Complex projects below. Mr. Brown pointed out that the modifications to facilities represented ADA identified projects and Crown internal maintenance staff will handle what they can without the engagement of outside vendors; outside vendors will be engaged for those that cannot be handled internally.

Crown Complex – FY16		
Project	FY 2016	Status
Upgrade radio system at Coliseum	\$42,000	Awaiting quote from vendors
Replace washouts around the Coliseum	75,000	Awaiting quote from vendors
Upgrade camera system at Coliseum	100,000	Awaiting quote from vendors
Re-caulk interior floor expansion joints on steps	15,000	Quotes to be received during June
Modifications to facilities	250,000	Crown Staff taking lead on “easy fixes”

Mr. Brown provided highlights of the identified needs for FY17 as recorded below and stated the projects on the list, with the exception of the last four, were already identified in the CIP published last year. Mr. Brown stated projects involving the elevator components have since been identified and should have been included in the CIP. Mr. Brown stated these were brought to the Facilities Committee and over the next five years, \$2.3 million has been identified for elevator modifications, most of which are at the LEC.

Mr. Brown stated Solid Waste projects were identified in FY16 and because they were not started, they were pushed forward to FY17. Mr. Brown stated these include expansion to cells 9 and 10 of Subtitle D and partial closure of Subtitle D. Mr. Brown stated the cell expansion is anticipated to start by the end of this year into the first of January and the partial closure will run concurrently with the expansion project. Mr. Brown responded to questions regarding cell expansion at the landfill and stated there is a definite need for the room because without it, there will likely only be 12 to 18 months of life left at the landfill as it exists today. Ms. Cannon stated the expansion was on a mini CIP for about four years but because greater compaction was accomplished, the expansion has been able to be pushed out. Chairman Faircloth inquired regarding return on investment numbers. Additional questions and discussion followed. Ms. Cannon stated expansion into cells 9 and 10 was already budgeted and approved several years ago in a multi-year capital project fund. Mr. Brown stated a rate study will be conducted in FY17 which will include the landfill.

Mr. Brown provided highlights of the Crown Complex projects and stated they were formulated with input from Crown management and staff.

Identified Needs for FY17

General Fund	
Project	FY 2017
DSS carpet replacement	\$280,000
Detention Center hot water heaters (Phase 2)	198,000

DSS camera replacement	125,000
Courthouse camera replacement (Phase 2)	45,000
Replace two boilers at Winding Creek	75,000
Replace 90 ton chiller at Winding Creek	100,000
Replace CRAC units in Courthouse	55,000
Modernize three elevators at E. Newton Smith	300,000
LEC booking elevator	190,000
LEC visitor elevator	200,000
LEC hydraulic elevator	90,000
LEC kitchen freight elevator	100,000
Solid Waste	
Project	FY 2017
Phase IV Expansion of Subtitle D landfill	\$8,010,000
Landfill partial closure	4,575,000
Crown Complex	
Project	FY 2017
Replace air walls in Crown ballroom	\$150,000
Replace carpet in ballroom/pre-function areas	100,000
Replace carpet in suites	50,000
Replace dance floor	27,000
Suite wall resurfacing (concourse)	50,000
New stage	150,000
Installation of double doors on concourse	40,000
Installation of double doors at entrance	40,000
Replace blue padded chairs	125,000
LED lighting upgrades (parking lots, Expo, etc.)	250,000
Fire alarm upgrade at Coliseum	50,000
Refrigerant lines and condenser units – Coliseum	75,000
Remodeling of team locker rooms and dressing rooms	250,000
General maintenance	250,000

Ms. Cannon called attention to the FY17 proposed budget and \$10 million of supplemental requests from county departments beginning with requests for new positions. Ms. Cannon stated the budget presentation addressed only what had been included in the proposed budget and not what had been requested. Ms. Cannon stated as she mentioned during the proposed budget presentation, there is not enough recurring revenue to cover recurring expenses.

Ms. Cannon reviewed supplemental capital outlay requests and pointed out that a lot of the capital outlay items are related to the new positions. Ms. Cannon stated some of the capital outlay requests were funded because they could be identified as one-time funding. Ms. Cannon stated when requesting new positions, capital outlay items and vehicles, the Sheriff's Office was asked to prioritize their requests. Ms. Cannon stated the items that were not position related were compared to the priorities established by the Sheriff's Office and funds were allocated to the most critical areas based on their priorities. Ms. Cannon stated vehicles, although capital outlay, are considered recurring because they will always have to be replaced and are offset with recurring dollars and not one-time funds.

Ms. Cannon called attention to maintenance and renovation supplemental requests for minor projects as received from county department heads. Ms. Cannon stated Mr. Brown went through the requests, listed them in order of priority and \$244,100 of the \$774,900 requests were able to be funded.

Ms. Cannon turned to Community Funding items requested and adopted. In response to a question posed by Chairman Faircloth, Ms. Cannon stated these are expenditures that are within the County's scope of services and programs that the County does not provide. Questions followed.

Commissioner Keefe turned to the Proposed Fee Schedule Changes and posed questions regarding the Environmental Health fee schedule. Ms. Cardinali stated the charges are allowable by General Statute and fees are based on a recommended average by the state. Ms. Cardinali stated inspections can take up to two hours to complete and are not paid by state revenues; the state only pays an average of 6% of the revenue necessary to complete all of the various types of food and lodging inspections mandated and county funds pay the remainder. Ms. Cardinali stated these vendors are operating establishments for profit and the fees share the burden of the cost of the mandated inspections. Additional questions followed.

Ms. Cannon returned to Community Funding items as recommended in FY17 at \$1.4 million and stated that FY16 adopted budget of \$1.2 million did not include the second half for Economic Development; that was added for the last six months of the year in December. Ms. Cannon stated the recommended \$1.4 million includes basically the same agencies as the prior year to include some agencies such as NC Forest Service and Southeastern Speech and Hearing that are affiliated with the state and based on a percentage. Ms. Cannon stated in different years the budgeted amount for these agencies may go up and down a little. Ms. Evans stated the \$395,000 for the Fayetteville Cumberland Economic Development Corporation should be \$390,000 which is already on the County's adjustment sheet. In response to a question from Commissioner Adams, Ms. Cannon stated the County's Finance Office is serving as the fiscal office for Economic Development to save the agency money and Fayetteville Technical Community College invoices the Finance Office who pays the bill. Ms. Evans stated the annual rent at FTCC is less than the rent at the Chamber offices and is budgeted at \$17,000 for the year.

Ms. Cannon stated \$1,000 was recommended for the Cumberland County Veterans Council, most of which has been used in the past for the parade. Ms. Cannon stated the County was just informed that the Council recently lost their 501(C)3 status so the \$1,000 may be pulled out on an adjustment sheet. Commissioner Keefe stated he had planned to request an additional \$9,000 in funding for the Council prior to hearing this. Ms. Cannon stated she would get additional details.

Commissioner Adams asked that consideration be given to funding the request from the Vision Resource Center for \$8,000. A brief discussion followed regarding the funding of nonprofits.

Commissioner Keefe referenced funding for the Mid Carolina Council of Governments and asked whether there was any value associated with the building and utilities the County provides. Ms. Cannon stated there is value and most of the \$220,000 is a match to their federal grant.

MOTION: Commissioner Council moved to adjourn.
SECOND: Commissioner Lancaster
VOTE: UNANIMOUS (6-0)

There being no further business, the meeting adjourned at 7:10 p.m.

Approved with/without revision:

Respectfully submitted,

Candice H. White
Clerk to the Board