

CUMBERLAND COUNTY BOARD OF COMMISSIONERS
SEPTEMBER 4, 2007, 9:00AM
REGULAR MEETING

PRESENT: Kenneth S. Edge, Chairman
Breedon Blackwell, Vice Chair
Commissioner Jeannette M. Council
Commissioner John T. Henley, Jr.
Commissioner Billy R. King
Commissioner Edward G. Melvin
Commissioner Diane Wheatley
James Martin, County Manager
Juanita Pilgrim, Deputy County Manager
Cliff Spiller, Asst. County Manager
Amy Cannon, Asst. County Manager
Grainger Barrett, County Attorney
Sara VanderClute, PIO
Marsha Fogle, Clerk

INVOCATION Commissioner Billy King

Pledge of Allegiance

Recognition of Retired Cumberland County Employees:

Deborah Fike, Mental Health Department

Recognition of Outgoing Board Members:

Dr. Edward Jackson – Workforce Development Board

Chairman Edge also recognized Dr. Larry Keen, new FTCC President.

1. Consent Agenda

MOTION: Commissioner King moved to follow staff recommendations on the items on the Consent Agenda.

SECOND: Commissioner Council

VOTE: UNANIMOUS

- A. Approval of minutes for the August 20, 2007 regular meeting and special budget meeting.

ACTION: Approve

- B. Approval of Architectural Services for Western Elementary Library, Reimbursement Resolution and Associated Budget Revision.

BACKGROUND: A new branch library will be co-located with the new Western Elementary School. An amendment to the design of the library has been submitted, costing an additional \$402,963. In addition, adoption of a Reimbursement Resolution which will allow the County to finance and to reimburse itself, any funds advanced prior to the issuance of debt, is requested to be approved. The County expects to issue debt for this project in the first quarter of 2008.

ACTION: Approve the Reimbursement Resolution and the budget revision to fund the design development and bidding of the Western Branch Library (B08-042-042A).

**RESOLUTION OF OFFICIAL INTENT TO PURSUE
TAX EXEMPT FINANCING FOR A WESTERN AREA PUBLIC LIBRARY AND TO
REIMBURSE EXPENDITURES WITH PROCEEDS OF A BORROWING**

WHEREAS, the Board of Commissioners of Cumberland County, North Carolina (the "County") intends to finance a portion of the cost of the Western Area Public Library (the "Project") during the next several years; and

WHEREAS, the County may advance its own funds to pay expenditures related to the Project, may borrow funds on a short term taxable or tax exempt basis in order to pay such expenditures or may enter into contracts obligating third parties to make certain expenditures relating to the Project (the "Expenditures") prior to incurring indebtedness and to receive reimbursement for such Expenditures from proceeds of tax-exempt obligations or taxable debt, or both;

**BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF
CUMBERLAND COUNTY, NORTH CAROLINA;**

1. The County intends to utilize the proceeds of tax-exempt indebtedness, including but not limited to installment finance agreements and certificates of participation (collectively, the "Indebtedness") or to incur other debt, to pay the costs of the Project in an amount not currently expected to exceed \$6,000,000.
2. The County intends that the proceeds of the Indebtedness be used to reimburse the County for Expenditures with respect to the Project made on or after the date that is not more than 60 days prior to the date of this resolution. The County reasonably expects on the date hereof that it will reimburse the Expenditures with the proceeds of the Indebtedness or other debt.
3. The County intends that the adoption of this Resolution confirms its "official intent" within the meaning of Treasury Regulations Section 1.150-2 promulgated under the Internal Revenue Code of 1986, as amended.
4. The Resolution shall take effect immediately upon its passage.

- C. Approval of a Proclamation Proclaiming September 15-29, 2007 as “Fall Litter Sweep” in Cumberland County.

ACTION: Adopt Proclamation

PROCLAMATION LITTER SWEEP

WHEREAS, the NC Department of Transportation organizes an annual Fall statewide roadside cleanup to ensure clean beautiful roads in North Carolina; and

WHEREAS, the Fall 2007 “Litter Sweep” roadside cleanup will take place September 15-29, 2007, and encourages local governments and communities, civic and professional groups, businesses, churches, schools, families and individual citizens to participate by sponsoring and organizing local roadside cleanups; and

WHEREAS, Adopt-a-Highway volunteers, Department of Transportation employees, Department of Correction inmates and community service workers, local government agencies, community leaders, civic and community organizations, businesses, churches, schools and environmentally concerned citizens conduct annual local cleanups during “Litter Sweep” and may receive certificates of appreciation for their participation; and

WHEREAS, the cleanup will celebrate the 19th Anniversary of the North Carolina Adopt-a-Highway program and its 6,000 volunteer groups that donate their labor and time year round to keep our roadsides clean; and

WHEREAS, the great natural beauty of our state and a clean environment are sources of great pride for all North Carolinians, attracting tourists and aid in recruiting new industries; and

WEHREAS, the cleanup will increase awareness of the need for cleaner roadsides, emphasize the importance of not littering, and encourage recycling of solid wastes; and

WHEREAS, the “Litter Sweep” cleanup will be part of educating the children of this great State and county regarding the importance of a clean environment to the quality of life in North Carolina; and

NOW, THEREFORE, the Cumberland County Board of Commissioners hereby proclaims September 15-29, 2007 “Spring Litter Sweep” in Cumberland County and encourages all citizens to take an active role in making the County cleaner and more beautiful.

- D. Approval of Budget Revision No. B08-044 and Revised Capital Project Ordinance for the NORCRESS Project.

BACKGROUND: On September 18, 2006, the Board of Commissioners approved an amendment to the agreement with the engineering firm of Hobbs Upchurch & Associates, increasing its fee by \$22,500 due to the Contractor's delay in completing this project. The funds were to come from a deduction from the Contractor's (Locklear) final pay application. Through negotiations with the engineering firm, following the Board's action, the Public Utilities Director was able to reduce the amount to \$15,000. This also allowed for payment of some small claims against the contractor in addition to the firm's request. There remains a balance of \$2,116 from the original authorization of \$22,500 that needs to be returned to the Contractor's line for payment to the Contractor.

ACTION: Approve the budget revision (B08-44) in the amount of \$2,116 and the revised Capital Project Ordinance for the NORCRESS project (Capital Project Ordinance may be found in the Capital Project Ordinance Book).

E. Budget Revisions:

ACTION: Approve

(1) Health - Environmental

Revision in the amount of \$3,264 to budget additional revenue anticipated to receive from the state. (B08-030) **Funding Source – State**

(2) Juvenile Crime Prevention Council Program

Revision in the amount of \$29,047 to budget refund for FY2007 unspent funds (\$24,438) and adjust FY2008 budget to the state's (\$4,609). (B08-038) **Funding Source – State and Juvenile Crime Prevention Council Program Fund Balance**

(3) General Government Other

Revision in the amount of \$305,000 to appropriate fund balance for the purchase of Legal Aid Building on Gillespie Street that was originally approved by the Board in December 2005. (B08-041) **Funding Source – General Fund Fund Balance**

(4) Sheriff

- a. School Law Enforcement - Revision in the amount of \$48,064 to budget the reduction of one Deputy II position based on the Cumberland County Schools not receiving funding for a School

Resource Officer. (B08-039) **Funding Source – Cumberland County Board of Education**

- b. Revision in the amount of \$11,115 to recognize contributions received in prior years. (B08-043) **Funding Source – General Fund Fund Balance**
- c. School Law Enforcement – Revision in the amount of \$125,000 to budget Gang Resistance Education and Training Grant. (B08-040) **Funding Source – Federal**

- 2. Public Hearing on the North Carolina Department of Transportation, Division of Highways 2007-2008 Secondary Roads Improvement Program for Cumberland County.

Mr. Christopher McGee, District Engineer, presented the proposed program for FY2007-08 as follows:

Highway Fund	\$	1,267,111.62
Trust Fund		325,988.25
TOTAL	\$	1,593,099.87

RURAL

<u>Priority</u>	<u>Description</u>	<u>Length</u>	<u>Cost</u>
1F	SR 1858 Bend of River Road From SR 1806 to EOM	0.30	66,000.00
2F	SR 1860 Access Road From Exit Ramp to EOM	1.32	290,000.00
3F	SR 1886 Rocky River Road From SR 1835 to EOM	0.15	33,000.00
4F	SR 1895 Lee Road From 1828 to EOM	0.20	44,000.00
5F	SR 2221 Gainey Road From SR 2223 to EOM	0.70	154,000.00
6F	SR 2372 North Fork Lane From SR 2245 to EOM	0.15	33,000.00
7F	SR 2803 Bethune Road	0.10	22,000.00

	From SR 1711 to EOM		
8F	SR 2218 Tracy Hall Road From SR 2337 to EOM	0.17	37,500.00
9F	SR 2007 Jim Johnson Road From End Pvmt to EOM	0.22	48,500.00
2 (hold)	SR 1610 McClousky Road From End Pvmt to End Pvmt	0.70	154,000.00
6 (hold)*	SR 1707 Carlos Road From SR 1706 to Begin Pvmt.	1.90	146,000,000

Note: * Partial funding this fiscal year. Funding to be completed in 2008-09.

OTHER

Description

Right of way, surveys, utility relocations	265,099.87
Maintenance fund allocation used to supplement the maintenance Budget for activities such as: shoulder repair, spot stabilization, pipe Replacement, safety projects, industrial access, etc.	300,000.00
TOTAL	\$ 565,099.87

Summary of the 2007-08 Program

	<u>Length</u>	<u>Cost</u>	<u># Homes</u>	<u>#Businesses</u>
Total Rural	5.91	\$ 1,028,000.00	31	5
Total Subdiv.	0	0	n/a	n/a
Total Other	n/a	565,099.87	n/a	n/a
TOTAL	5.92	\$ 1,593,099.87	31	5

ACTION: Approve

SPEAKERS: No speakers

MOTION: Commissioner King moved to approve as presented.

SECOND: Commissioner Melvin

VOTE: UNANIMOUS

ITEMS OF BUSINESS

3. Nominations to Boards and Committees

A. Air Quality Stakeholders' Committee (1 Vacancy)

BACKGROUND: The Air Quality Stakeholders' Committee requests that Gary Cooper fill the vacant position previously held by William (Bill) Martin.

Nominee: Gary Cooper

4. Appointments to Boards and Committees

MOTION: Commissioner Blackwell moved to appoint the nominees in item 4A-D.

SECOND: Commissioner King

VOTE: UNANIMOUS

A. Criminal Justice Partnership Advisory Board (1 Vacancy)

Nominee: Police Chief or Designee: Capt. David Houpp

ACTION: Appoint the nominee.

B. Cumberland County Finance Corporation and Cumberland County Industrial Facilities & Pollution Control Financing Authority (2 Vacancies)

Nominees: Bob Gleaton (Reappointment)
Annette C. Billie (Reappointment)

ACTION: Appoint the nominee.

C. Cumberland County Local Emergency Planning Committee (1 Vacancy)

Nominee:

Emergency Management Representative: Kenny Currie (Reappointment)

ACTION: Appoint the nominee.

D. Senior Citizens Advisory Board (2 Vacancies)

Nominees: E. C. Modlin (Reappointment)
Deneen Morton-Tarplay (Reappointment)

ACTION: Appoint the nominees.

RECESS THE BOARD OF COMMISSIONERS' REGULAR MEETING.

CHAIRMAN EDGE RECECSSED THE COMMISSIONERS MEETING AND THE BOARD RECONVENED AS THE NORCRESS WATER & SEWER DISTRICT GOVERNING BOARD (See minutes in Water & Sewer Minute Book)

CHAIRMAN EDGE ADJOURNED THE NORCRESS MEETING.

CHAIRMAN EDGE RECONVENED THE REGULAR BOARD OF COMMISSIONERS' MEETING.

5. Closed Session A. Economic Development Matter(s)
Pursuant to NCGS 143-318.11(a)(4).
- B. Real Estate Matter(s)
Pursuant to NCGS 143-318.11(a)(5).

MOTION: Commissioner Council moved to into Closed Session for the above noted matters.

SECOND: Commissioner Henley

VOTE: UNANIMOUS

MOTION: Commissioner Council moved to go back into Open Session.

SECOND: Commissioner King

VOTE: UNANIMOUS

6. Consideration of a Resolution of the Cumberland County Board of Commissioners Requesting that the Cumberland County Board of Elections Place the Issue of a Local Option Quarter Cent Sales Tax on the November 2007 Ballot.

MOTION: Commissioner Henley moved that if the Cumberland County Board of Commissioners approves placing a quarter cent sales and use tax on a referendum, and if the public approves the tax, the Board of Commissioners resolves that it will decrease the property tax rate in FY08-09 budget by two cents; the additional one quarter cent sales tax will be applied to debt service on a new health department building, a western area library and additional school facilities, provided revenues are sufficient to fund those capital needs and the continuing operations budget.

SECOND: Commissioner Melvin

DISCUSSION: Amy Cannon, Asst. County Manager for Finance, gave an overview of the Medicaid swap recently approved by the General Assembly. Basically, the state will begin to phase out the county's portion of Medicaid costs over a three year period beginning in FY08. Additionally, the state will take over the county's ½ cent, Article 44 sales tax to pay those Medicaid costs. She noted that the County paid \$14 million in Medicaid costs last fiscal year. She indicated Medicaid is rising statewide at a rate of from 5% to 10%. Ms. Cannon said that the county would lose about \$36,000 in FY 08, but would gain \$2 million in fiscal year 09. The county's projected gain from the Medicaid swap over a five year period would be \$4.2 million, after holding the school system and municipalities harmless. Commissioner Henley pointed out that the figures above do not take into consideration any growth in the county. Commissioner

Blackwell said he would like to separate the two issues, i.e. vote to approve adding a quarter cent sales tax to a referendum in November and then discuss reduction of property taxes.

SUBSTITUTE

MOTION: Commissioner Blackwell moved that the sales tax issue be placed on the ballot in November.

SECOND: Commissioner King

Following some discussion, Commissioner Blackwell withdrew the substitute motion.

Commissioner Henley reiterated the county would realize a \$10 million net gain without taking into consideration the natural growth in the tax base. Commissioner Blackwell commented as follows: the Medicaid figures provided by the State are different than the county estimates; any gain in revenues will have to be shared with the school system and municipalities, deployments will affect sales tax revenues and it was not the intent of the General Assembly that counties should reduce their property taxes if the sales tax referendum passes. Commissioner Blackwell said he thought the county(s) would lose credibility with the General Assembly if property taxes were to be reduced as a result of passage of the sales tax. He noted concern that any gain in revenue would still not allow the county to meet its infrastructure needs. Commissioner Melvin said he thought we owed it to our citizens to give them property tax relief, if the sales tax referendum passes. He said he hoped the other Board members felt the same way. Commissioner Council said she was concerned with the word "projections". She said she would be more comfortable in agreeing to a property tax decrease once we have some real figures (actual money in hand). She said we shouldn't spend it until we have it. Commissioner Wheatley noted that a decrease in the property tax rate would be an incentive for the public to vote for the sales tax increase. She also noted that a 2 cent decrease in property tax would be good for BRAC. Commissioner King noted that there is still a great deal of uncertainty and that to signal ahead of a possible reduction in property tax would be premature on the Board's part. Chairman Edge said he thought it fair to say that if the sales tax referendum passes and if the county finds revenues to decrease the property tax, the Board would do that. He said he hoped there would not be a split vote on this issue. He also noted that 48 out of 100 counties increased property taxes this fiscal year. He said he thought it foolish to reduce property taxes 2 cents and then turn around in a year or two and have to increase them to recover our losses and/or sustain our county services. He said he hoped there could be a compromise. He noted the County has to look at needs that it will be facing in the future, i.e., a new jail pod, communication towers, and it may have to address incentives for Goodyear if the Governor's veto of that bill is not overturned. Commissioner King inquired what if the sales tax referendum does not pass.

CHAIRMAN EDGE RECESSED THE MEETING.

THE MEETING WAS RECONVENED.

Commissioner Council noted that the Board at some point may adopt a motion to hold a referendum on the sales tax. She then offered this substitute motion:

SUBSTITUTE

MOTION: Commissioner Council moved that the Cumberland County Board of Commissioners resolves that if the referendum is approved by vote of the people, and if revenues are available, it will reduce the property tax rate in FY08-09 by two cents. Additionally, the proceeds of the additional one quarter cent local option sales and use tax will

be applied to debt service on a new health department building, a western area library, and additional school facilities and the continuing operations budget.

SECOND: Commissioner King

DISCUSSION: Commissioner Melvin said he would not support the substitute motion. Commissioner Wheatley indicated she could support this substitute motion.

VOTE: FAVOR: Commissioners King, Henley, Edge, Council, Wheatley, Blackwell
OPPOSED: Commissioner Melvin

MOTION: Commissioner Council moved that the Board place on a referendum in November 2007 a local option quarter cent sales tax.

SECOND: Commissioner King

VOTE: FAVOR: Commissioners King, Henley, Edge, Council, Wheatley, Blackwell
OPPOSED: Commissioner Melvin

MOTION: Commissioner Council moved to adjourn

SECOND: Commissioner King

VOTE: UNANIMOUS

MEETING ADJOURNED: 11:15AM.

Clerk to the Board