

CUMBERLAND COUNTY BOARD OF COMMISSIONERS
SPECIAL MEETING FOR BUDGET PUBLIC HEARING
AND BUDGET WORK SESSION
117 DICK STREET, 1ST FLOOR, ROOMS 118 AND 564
JUNE 14, 2011, 7:00 PM
MINUTES

PRESENT: Commissioner Kenneth Edge, Chairman
Commissioner Marshall Faircloth, Vice-Chairman
Commissioner Jeannette Council
Commissioner Charles Evans
Commissioner Billy King
Commissioner Ed Melvin
James Martin, County Manager
Amy Cannon, Deputy County Manager
James Lawson, Assistant County Manager
Rick Moorefield, County Attorney
Howard Abner, Assistant Finance Director
Kelly Autry, Accountant
Bob Tucker, Accountant
Todd Hathaway, Finance Department
Sally Shutt, Communication and Strategic Initiatives Manager
Patrice Roesler, North Carolina Association of County Commissioners'
(NCACC) Deputy Director,
Marie Colgan, Clerk to the Board
Candice H. White, Deputy Clerk to the Board
Kellie Beam, Deputy Clerk to the Board (In Training)
Press

ABSENT: Commissioner Jimmy Keefe

Chairman Edge called the meeting to order and stated the purpose of the meeting was to hear from the public regarding the proposed FY 2012 budget. Marie Colgan, Clerk to the Board, advised there were six speakers signed up for the public hearing.

James Martin, County Manager, read aloud the rules for the public hearing. Mr. Martin advised that the recommended budget had been posted on the county's website at www.co.cumberland.nc.us/finance since it was presented to the Board on May 31, 2011 and would likely continue to be posted until such time as the approved budget was posted.

This is the duly advertised public hearing set for this date and time. Chairman Edge opened the public hearing.

Speaker Shawna Parker did not appear when her name was called.

Olen Sorenson, Cumberland County Library Board of Trustees Chair, commended Mr. Martin and his staff for the proposed budget that he felt equitably distributed available funds without new taxes or undue payments in any particular areas. Mr. Sorenson stated the proposed library budget insures services to the public will be maintained because as the current economic recession continues, there also continues to be increased participation in programs offered by the library. Mr. Sorenson reviewed some of the services, training opportunities and classes provided by the library. Mr. Sorenson expressed concern for state budget cuts that would impact education and stated this would increase the need for children's programs already provided at the library. Mr. Sorenson stated Friends of the Library continue to do an excellent job raising money through their book sales and noted grant funds are becoming increasingly difficult to obtain. Mr. Sorenson asked that the Board approve the library's supplemental request for RFID.

Ricky Lopes, Cumberland County Schools Associate Superintendent, stated Cumberland County Schools had hoped it would not be necessary to request additional funding, but because the state has not made the same commitment to public education that county government has, it has become necessary to cut positions within the school system and make a request for additional

funds from the county. Mr. Lopes outlined the following areas that affected the request for additional funds:

- once the state budget is approved, the school system has to send back \$15.2 million as a discretionary reduction,
- the school system lost \$2.8 million of low wealth money because our per capita income is the highest in the state, even though the military personnel that generate the additional income are serving in foreign areas,
- the loss of flexibility to move monies around within the state budget will cost another \$4 million,
- Federal stimulus grants that were able to absorb some of the state cuts a couple of years ago will expire in September 2011 for a loss of \$19 million.

Mr. Lopes explained why it is not true that the school system should be able to make cuts without cutting personnel and stated at this point, there are 384 positions cut from the school system, with one-half to one-third likely being absorbed through attrition or retirement. Mr. Lopes further stated pink slips for non-certified personnel were sent out by mail earlier in the day and between 150 to 175 school personnel, who had planned to return to work in the fall, will not be able to return. Mr. Lopes further stated over a two-year period, the school system has had to cut over 500 positions out of the school system's personnel allotment. Mr. Lopes responded to questions.

Jennifer Sullivan, Cape Fear Botanical Gardens Executive Director, extended her appreciation to the Board for its present and past support of the Cape Fear Botanical Gardens. Ms. Sullivan stated the past year had been monumental due to the opening of the Wyatt Visitors Pavilion Complex on April 2, 2011, the attendance of over 39,000 visitors who came from all fifty states, and the increase in student education programs. Ms. Sullivan further stated future events include a nationally renowned exhibit of David Rogers' Big Bugs and holiday lights. At the request of Commissioner Edge, Ms. Sullivan explained their annual operating budget is sustained through a diverse source of revenue to include revenue from admissions, a \$264,000 grant from the state, private donations to include membership through the Friends of the Botanical Gardens, funds from the Cumberland Community Foundation and earned income from facility rental fees, gift shop revenue and tours. Ms. Sullivan explained Cape Fear Botanical Gardens is working hard to build endowments so as not to have to depend on funds they receive from the state.

Noah Thomas stated the economic recession has caused many citizens to rely on public and social services, and because public sector employers have not been able to hire additional personnel, the caseload for public sector workers has increased exponentially. Mr. Thomas stated the lack of salary increases coupled with increased workloads tends to result in a loss of excellence and sub-par performance. Mr. Thomas stated his understanding is that the current governing body has done a lot to ease some of the pressure placed on workers and it is a shame state and federal governments are placing pressure on municipal and county governments to pull up the slack. Mr. Thomas stated as a citizen, he thought it might be helpful to see if the Board could come up with some type of revenue increase that would increase the pay and/or reduce the workload for public sector workers.

Katherine Norris stated she is a long-term resident of Cumberland County and has home-schooled for the past seventeen years. Ms. Norris explained ways in which the public library has been a mainstay for her school due to its availability of books, DVDs and audio books. Ms. Norris stated families within the community would be greatly impacted by any reduction in library services and encouraged the Board to continue to fund the library, its staff and its services.

Shawna Parker stated her purpose for attending the public hearing was to request traffic services for St. Ann's Catholic School, which is located off of Cool Springs Street and Grove Street. Ms. Parker provided details of her past attempts to secure a traffic guard or traffic control for the school and also explained the mix of traffic patterns surrounding the school. In response to a question posed by Commissioner Evans, Ms. Parker clarified that her request was for a crossing guard for the children and also for help for vehicles on Cool Spring Street turning onto Grove Street. Ms. Parker confirmed no students cross Grove Street. In response to a question posed by Commissioner King, Ms. Parker further clarified her request was for one crossing guard for one hour in the morning and for one crossing guard for one hour in the afternoon. Ms. Parker stated this was the recommendation of Sgt. Walker with traffic services in the Sheriff's Office following his observation of the traffic patterns. Commissioner Edge thanked Ms. Parker for

bringing the situation to the Board's attention and explained that although the Board approves the budget for the Sheriff's Office, it has little discretion over how the funds are used. Commissioner Edge expressed the Board's appreciation for Ms. Parker's concern. In response to a final question posed by Commissioner Evans, Ms. Parker stated her request was for two crossing guards for Cool Springs Street and perhaps a caution or warning light for vehicles that turn onto Grove Street. Commissioner Edge informed Ms. Parker that assistance with traffic lights must come from the city of Fayetteville or the Department of Transportation.

There being no further speakers, Chairman Edge closed the public hearing.

Chairman Edge thanked those in attendance and stated the Board of Commissioners would take all comments into consideration.

Chairman Edge recessed the meeting to room 564 at 7:43 pm

Chairman Edge reconvened the meeting in room 564 at 7:53 pm.

Chairman Edge advised there was an item from a prior meeting that needed to be dispensed with before the Board engaged in further discussion regarding the budget. Chairman Edge called on Rick Moorefield, County Attorney. Mr. Moorefield distributed copies of the agreement for architectural and engineering services for the Detention Center expansion and stated the issue he had discussed with the Facilities Committee regarding the contract that was originally proposed was that the county would hire a construction manager at risk and the original contract contained overlaps between the architect and the construction manager's responsibilities and he felt it was important to keep clear lines of responsibility.

Mr. Moorefield stated the original contract provided that the architect would provide the usual service that architects provide in the bidding and negotiating phase when the owner is contracting with the general contractor and responsible for the bidding. Mr. Moorefield stated with the direction in which the county is headed, there will not be a construction contract between the county and the general contractor. Mr. Moorefield stated the contract will be between the Construction Manager at Risk (CMAR) and his first tier prime sub-contractors. Mr. Moorefield stated the exception he had with this was that the architect's fee for that portion was \$50,000 and that the county would also pay a fee to the CMAR for that same service. Mr. Moorefield explained he had insisted that there be some relief on the architect's fee and following negotiations, the fee had been brought down to \$45,000.

Mr. Moorefield explained he was comfortable with the way the language delineated responsibilities in the agreement, but he feels the fee is still high for the amount of services the architect will provide during the bidding and negotiation phase. Mr. Moorefield stated he wants to be sure the Board understands this is a very basic architect contract and there will still be a need for construction services that will be paid for by the county.

Commissioner Edge asked Mr. Martin whether he had a recommendation. Mr. Martin stated attempts to obtain a further reduction in the fees have not been successful. Mr. Moorefield and Mr. Martin responded to questions. Mr. Moorefield clarified that his reluctance related to the architect's flat rate fee, which was not related to an amount or number of hours of work, and the inability to further reduce the fee. Discussion followed. Commissioner Council confirmed with Mr. Martin that his recommendation was for approval. Mr. Martin stated it was his reluctant recommendation because he felt the fee was still greater than he had hoped negotiations would yield.

MOTION: Commissioner Council moved to follow the recommendation of management.

SECOND: Commissioner Edge

Mr. Martin and Mr. Moorefield responded to additional questions. Mr. Moorefield clarified that his concerns were not related to the work experience of the architect. Mr. Moorefield stated because the contract did not end up as it was initially proposed, he felt the fee should have been more proportionate to the work the architect would perform.

VOTE: FAILED (3-3) (voting in favor were Commissioners Edge, Council, and Melvin; voting in opposition were Commissioners Evans, King and Faircloth)

Mr. Moorefield advised discussions with the architect would continue. Commissioner Edge asked that the matter be brought back to the June 20, 2011 meeting.

Commissioner Edge directed discussion to the FY 2012 budget and recapped decisions and directives to staff that were made at the June 13, 2011 meeting.

Mr. Martin distributed and reviewed the following revised budget sheet that was developed as a result of the Board’s input during the June 13, 2011 meeting:

Tax Rate	73.40	0.0000			
Fund Balance Appropriated-One Time		4,087,758			
Fund Balance Appropriated-Recurring		4,727,703			
% Fund Balance Remaining		10.66%			
Recommended Budget		291,406,154			
Manager Adjustments		(72,615)			
Commissioner Adjustments		63,000			
Adopted Budget		291,396,539			
Total Revenue	73.40	291,396,539			
Revenue Reduction (Addition)		0			
Expenditures	Cost	Adjustments	Revenue	Adjustments	
Manager Adjustments			Manager Adjustments		
Recurring			Recurring		
General personnel changes	(22,797)	(22,797)			
General operating changes	887	887	Operating offset		0
Mid-Carolina	(6,156)	(6,156)			0
Library MotherRead (lose 2 positions)	(146,142)	(146,142)	State	(146,142)	(146,142)
Library Raising A Reader	101,593	101,593	State	101,593	101,593
Total Recurring		(72,615)	Total Recurring		(44,549)
One-Time			One-Time		
Total One-Time		0	Total One-Time		0
Total Manager		(72,615)	Total Manager		(44,549)
Commissioner Adjustments			Commissioner Adjustments		
Recurring			Recurring		
		0			
Fort Bragg Regional Alliance	20,500	20,500			0
Dogwood Festival	3,100	0			
Register of Deeds-Supplies	5,000	5,000			
401K 1%	796,709	796,709			
Roof plan	(400,000)	(200,000)			
Water & sewer industrial expansion	(250,000)	(125,000)			
Fuel reserve	(354,026)	(239,709)			
Solid waste collection fee-county buildings	(314,000)	(157,000)			
M&R buildings and equipment	(75,000)	(75,000)			
Total Recurring		25,500	Total Recurring	0	0
One-Time			Fund Balance		

	Spring Lake Chamber	35,000	35,000	Recurring to balance		(2,566)
	Library- RFID (capital project)	200,000	Capital Proj	F/B one-time		37,500
	Register of Deeds- Travel	2,500	2,500	F/B res: M&R		
				F/B res: Tax		
				F/B res: Detention Center		
				F/B res: Economic Development		
				F/B res: Water & Sewer		
				F/B res: Property Reval		
	Total One-Time		37,500			34,934
	Total Commissioners		63,000	Total Commissioners		34,934

Mr. Martin recalled the Board's instructions at the June 13, 2011 meeting that he return with a proposal for pay raises for county employees. Mr. Martin stated he wished his recommendation could be more; however, when considering the concern that was expressed by the Board regarding the sustainability of the compensation, he did not want his recommendation to be one that would have to be taken away from employees at some future time. Mr. Martin stated management's recommendation is that the Board consider reinstating the 1% 401(K) contribution effective at the first pay period beginning in July. Mr. Martin advised the Board that the cost would be slightly less than a 1% pay increase because the county would not have to pay retirement or social security on that value. Mr. Martin stated this equates to approximately an \$80,000 savings in terms of this contribution compared to a pay increase of 1%. Mr. Martin also stated the cost of the 1% 401(K) contribution is \$769,709 and management would propose paying this 1% by reallocating the roof plan at \$200,000; water and sewer industrial expansion at \$125,000; fuel reserve at \$239,709; and solid waste collection fee for county buildings at \$157,000; and maintenance and repair/ buildings and equipment at \$75,000.

In response to a question posed by Commissioner Evans, Mr. Martin explained all employees who are eligible for the retirement system by working at least twenty hours per week will have a 401(K) if the county contributes. Mr. Martin further explained employees are encouraged to provide a match to their 401(K). Amy Cannon, Deputy County Manager, recalled the county provided a 1% 401(K) contribution during FY 2006–FY 2009. Commissioner Council inquired regarding the cost of a 1% pay increase. Howard Abner, Assistant Finance Director, responded the amount would be \$848,831. Commissioner Council asked that employees be placed as number one for “cash in pocket” for the next budget cycle. Mr. Martin and management staff responded to additional questions. Comments and discussion followed.

Chairman Edge spoke to the fiscal responsibility of county management and the Board, and reviewed cuts or tax increases other counties have had implement. Chairman Edge stated Cumberland County has not had to do any of these things and has done the best it can do at present to demonstrate its appreciation for the work performed by the county's employees.

MOTION: Commissioner Council moved to adopt the budget as presented.

SECOND: Commissioner Evans

Commissioner King expressed a desire that the Board postpone its vote until Commissioner Keefe had an opportunity to weigh in. A brief discussion ensued. Commissioner King stated he would vote in opposition to the budget in protest that action was not delayed until such time that Commissioner Keefe could participate.

VOTE: PASSED (5-1) (voting in favor were Commissioners Edge, Faircloth, Melvin, Council, and Evans; voting in opposition was Commissioner King).

Mr. Martin advised the Board that the budget ordinance would need to be adopted as a part of the Board's action. Mr. Martin distributed copies of the Cumberland County FY 2012 Budget Ordinance and reviewed highlights contained therein.

COUNTY OF CUMBERLAND
FY 2012 BUDGET ORDINANCE ADOPTION

June 14, 2011

The Board of County Commissioners hereby adopts and enacts the proposed 2012 fiscal year budget as recommended by the County Manager with amendments incorporated herein as the County of Cumberland's budget for FY 2012 under the following terms and conditions:

1. The Budget Ordinance shall govern total dollar departmental appropriations, including multiple organizations within a department, in accordance with the resolution of September 7, 1982.
2. The amendments to the County Manager's recommended budget as approved by the Board of Commissioners are listed on Attachment A and shall include subsequent adjustments approved through June 30 which are required to implement this budget.
3. Attachment B, Adopted Expenditures, sets forth appropriated amounts for each county department by fund. Attachment C, Adopted Revenue, sets forth revenue amounts by source for each fund.
4. The County-Wide Ad Valorem Tax Rate and levy of 74.0 cents per \$100 valuation is hereby adopted. The tax levy is based on a countywide valuation of \$21,334,340,980 with an overall collection rate of 97.16%. The County has earmarked .6 cents of the County-wide tax rate for the jail expansion capital project.
5. The Special Recreation Tax Rate and levy of 5 cents per \$100 valuation is hereby adopted.
6. The Fire Tax District Rates as shown below are hereby adopted and taxes levied:

Approved Tax Rate
Per \$100 Valuation

Beaver Dam Fire District	10 cents
Bethany Fire District	10 cents
Bonnie Doone Fire District	10 cents
Cotton Fire District	10 cents
Cumberland Road Fire District	10 cents
Eastover Fire District	10 cents
Godwin-Falcon Fire District	10 cents
Grays Creek Fire District	10 cents
Lafayette Village Fire District	10 cents
Lake Rim Fire District	10 cents
Manchester Fire District	10 cents
Pearces Mills Fire District	10 cents
Stedman Fire District	10 cents
Stoney Point Fire District	10 cents
Vander Fire District	10 cents
Wade Fire District	10 cents
Westarea Fire District	10 cents
Special Fire Service Fire District	1.25 cents

7. The Cumberland County Board of Education's current expense appropriation is hereby adopted at \$76,220,676. Fayetteville Technical Community College's current expense appropriation is adopted at \$9,163,305.
8. The Fiscal Year 2012 Position Classification and Pay Plan is revised to reflect any additional or revised/deleted positions and/or classifications approved by this

budget. The county manager shall be responsible for the administration and maintenance of the position classification plan and shall have authority to create new classifications and reallocate existing classifications within the salary plan for all existing county positions. Positions governed by state personnel are exempt from this policy. The Board of County Commissioners shall annually ratify the classification and salary plan.

9. The FY 2012 budget includes reinstatement of a 1% employer contribution to a 401K retirement plan to be effective beginning with the first full pay period in July for all employees eligible to participate in the Local Government Employees Retirement System.
10. Encumbrances outstanding in the current fiscal year will be included in the FY 2012 budget. Unexpended grants and other funds previously approved and budgeted by the Board in FY 2011, may be re-budgeted or rolled over into the FY 2012 budget by the Manager.
11. Board approved contingency funds may be reallocated within and between departments in the same fund by the Manager, subject to current established policies.
12. Any shortfalls or other adjustments in revenues or expenditures created by the above adopted budget shall be adjusted by a like amount appropriation from the fund balance of the County of Cumberland or an adjustment to contingency or other line item so that the fiscal year 2012 budget of the County of Cumberland is balanced pursuant to Chapter 159 of the NC General Statutes.
13. Solid Waste Management fee is hereby adopted at \$48.00 per household.

This ordinance is adopted the 14th day of June 2011.

Kenneth S. Edge, Chairman

James E. Martin, County Manager

MOTION: Commissioner Council moved to adopt the budget ordinance for FY 2012.
SECOND: Commissioner Faircloth
VOTE: UNANIMOUS (6-0)

Chairman Edge expressed his gratitude to staff for their efforts and to Patrice Roesler, North Carolina Association of County Commissioners' (NCACC) Deputy Director, for her attendance of Cumberland County's budget process for FY 2012.

There being no further business, the meeting adjourned at 8:40 p.m.

Approved with/without revision:

Respectfully submitted,

Candice H. White
Deputy Clerk to the Board