

CUMBERLAND COUNTY BOARD OF COMMISSIONERS  
JUNE 4, 2015 – 5:30 PM  
117 DICK STREET, 5<sup>TH</sup> FLOOR, ROOM 564  
SPECIAL MEETING – FY16 BUDGET WORK SESSION/DEPARTMENT HEAD APPEALS  
SPECIAL MEETING MINUTES

PRESENT: Commissioner Kenneth Edge, Chairman  
Commissioner Marshall Faircloth, Vice Chairman  
Commissioner Jeannette Council  
Commissioner Charles Evans (arrived 5:42 p.m.)  
Commissioner Jimmy Keefe  
Commissioner Larry Lancaster  
Amy Cannon, County Manager  
James Lawson, Deputy 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  
Jody Risacher, Cumberland County Library Director  
Brenda Jackson, Department of Social Services Director  
Jeffrey Brown, Engineering and Infrastructure Director  
Candice White, Clerk to the Board  
Press

ABSENT: Commissioner Glenn Adams

Chairman Edge called the meeting to order and provided the invocation.

1. DEPARTMENT HEAD APPEALS

Chairman Edge recognized Amy Cannon, County Manager, who called on Jody Risacher, Cumberland County Library Director. Ms. Risacher stated she was not present to make an appeal but to provide an update on the library's accomplishments. Ms. Risacher thanked the Board for its continued support of the library and provided a brief update of the following library activities: job fairs/workforce development; computer/internet/technology instruction and online resources; literary programs; and Science, Technology, Engineering and Math (STEM).

2. UPDATE ON REVIEW OF SOCIAL SERVICES REQUESTED POSITIONS BY COUNTY MANAGER AMY CANNON

- A. Ms. Cannon recognized Brenda Jackson, Department of Social Services Director, for attending. Ms. Cannon stated the state received a letter from the United States Department of Agriculture (USDA) regarding the Supplemental Nutrition Assistance Program (SNAP), commonly known as food stamps, as written notice that the federal administrative funds the state receives and disperses to counties for the food stamp program may be suspended if timeliness standards are not achieved. Ms. Cannon explained there is a seven day timeliness standard and a thirty day timeliness standard; the most recent timeliness rate for the state is 84.6% which is an increase from 2013. Ms. Cannon stated the USDA established benchmarks so the state has to reach an 85% statewide timeliness rate by December 2015, and by June 2016 the state has to have an average statewide compliance rate of 95%. Ms. Cannon stated there is significant progress to be made.

Ms. Cannon stated Ms. Jackson believes Cumberland County's percentage is probably not much different from the state average so some of the time-limited positions will likely be allocated to the effort to improve the standards set by the federal government. Ms. Cannon stated applicants who qualify will need to have their card loaded with benefits

within the thirty-day period. Ms. Cannon reiterated this is a statewide issue and not just a Cumberland County issue. Ms. Cannon stated the administrative funds pay about 50% of the administrative costs for the food stamp program.

- B. Ms. Cannon stated she and Ms. Jackson spoke with the Department of Health and Human Services (DHHS) about reviewing the County's need for additional positions based on the issues with NC FAST and Medicaid. Ms. Cannon stated Ms. Jackson has identified a staffing analysis tool that has been used by Buncombe County and the state indicated it would be a good tool for Cumberland County to use; the tool will identify required staffing levels based on the different programs, monthly caseload averages and average processing time.

Ms. Cannon stated Ms. Jackson's goal is to gather the data in 30-45 days, load it into the staffing analysis tool and send it to the state for review. Ms. Cannon stated the goal is to bring information on staffing levels to the Finance Committee in August or September. Ms. Cannon stated the DHHS Deputy Secretary acknowledges that Cumberland County will likely need additional permanent staff based upon the caseload increases. Ms. Cannon provided an overview of caseload increases in Cumberland County and stated based on the increases, it appears there will be a need to look at additional staffing levels.

- C. Ms. Cannon recalled the original budget proposal funded 25 time-limited positions which was down from 45 in the current budget and stated since the budget was prepared, DSS filled 6 more positions. Ms. Cannon stated based on further discussions with Ms. Jackson, she would like to amend the 25 time-limited positions recommended in the original budget to add another 10 time-limited positions. Ms. Cannon stated this should provide Ms. Jackson enough flexibility to make it through the state review of staffing levels while concurrently working with the Enterprise Solutions Division (ESD) to determine whether there are efficiencies that can be achieved. Ms. Cannon stated the net cost to add the 10 additional time-limited positions is \$75,000.

Questions and discussion followed. Chairman Edge stated the Board will consider Ms. Cannon's recommendation under Item 4.

### 3. REVIEW AND DISCUSSION OF DRAFT ECONOMIC DEVELOPMENT PROPOSAL

#### BACKGROUND:

As Cumberland County moves towards a January 1, 2016 transition, the Board's review and consideration of the draft economic development proposal is needed to accomplish the steps necessary in creating a new board and organization as well as hiring the staff. The organization structure must be defined and approved before the process to create the 501(c)(6) organization may begin. In addition, the new board appointment process should commence soon so that the new board may begin the process of staffing the new organization.

\*\*\*\*\*

Ms. Cannon provided an informational summary of the new economic development structure as recorded below.

#### July 1, 2015 – December 31, 2015

- Six month contract for Economic Development (ED) with Fayetteville Regional Chamber continuing as the fiscal agent.
- Current Economic Development Alliance Board will remain in place for this six month period.

#### Proposed New Structure

- Develop a public/private partnership organized as a separate 501(c)6 organization.
- Either the City or County could be the fiscal agent for this organization to minimize operating expenses and administrative functions.
- ED staff would be employees under this 501(c)6 organization.
- Board of Directors would hire the Executive Director.
- Executive Director responsible for hiring/firing of other employees.

Board Composition (Based on Current Funding Model)

County Appoints:	3 Members / One seat should be an Elected Official
City Appoints:	3 Members / One seat should be an Elected Official
Alliance Foundation Appoints:	2 Members / One seat should be an Alliance Foundation Board Member
Total / Voting Members:	8

Board Member Terms

Board Terms = 3 Year Terms / Maximum 2 Consecutive Terms

Staggered Terms so that only 1/3 turnover in any year.

Board Appointment Criteria

- Representative of diversity in community.
- Knowledge of business finance, business development, infrastructure development, workforce development, real estate development and utilities.

Board Chairperson

- Elected by the ED Board.
- Votes only in the event of a tie.
- If Board Chairperson in last year of eligibility, may serve one additional year as past chair in Ex-Officio capacity.

Ex-Officio Board Members (Non-Voting)

Cumberland County Manager

Fayetteville City Manager

President of Fayetteville Technical Community College

Funding

- City/County Interlocal Agreement to establish funding amounts.
- Agreement will be for a period of three (3) years.
- Alliance Foundation will fund marketing activities.

Facilities

- ED will remain in current location for six months.

Staffing

- Executive Director
- Existing Industry Director
- Recruiting Director
- Administration / Research Director
- Marketing Manager

Discussion followed regarding the proposed composition of the Alliance Board and the County's appointment of an elected official versus the chairman who currently serves on the Alliance Board.

Commissioner Evans asked how the proposal was developed. Ms. Cannon stated the proposal was developed through a series of meetings with the Mayor, City Manager, Chairman, County Manager, PWC CEO/General Manager and the PWC Commissioner Chairman; the Alliance Vice President and the Alliance Board chair were asked to join in the middle of the process. Commissioner Evans asked how the composition of the committee was determined. Ms. Cannon stated the individuals on the committee served based on their positions.

Commissioner Evans expressed concern that the proposal appears to be creating the same thing that currently exists and that the Alliance is part of the committee, especially since conversations have been about moving in a different direction. Ms. Cannon stated the Alliance vice president and Board chairman provided input on different models and organizations but the development was led from the City and County perspective. Chairman Edge stated the proposal is similar to the Catawba County model with the primary difference being all municipalities in Catawba County participate. Chairman Edge stated everyone pretty much agrees that performance measures should be developed for the Alliance under the old and the new system and that the

Garner report should be refreshed, particularly as it relates to the program of work. Commissioner Faircloth stated the methodology behind the committee is that it is made up of individuals representing organizations that put up the money for the Alliance. Commissioner Faircloth also stated if the Garner report or proposal is followed, eventually private money will support the organization and public money will be used for infrastructure.

Discussion followed. Commissioner Faircloth stated he had a problem with the Alliance Board chair voting only in the event of a tie. Chairman Edge explained the Board of Commissioners will approve the draft economic development proposal, disapprove it or recommend changes as will the Fayetteville City Council. Chairman Edge further stated this will take time and it is too soon to say whether the proposal will be the end result. Commissioner Keefe noted under the proposal that the Board of Commissioners will have the opportunity to appoint about 40% of the Alliance Board, an opportunity it does not currently have with the Alliance being part of the Fayetteville Regional Chamber. Commissioner Keefe stated this will give elected officials better oversight.

Chairman Edge stated this review and discussion has been for informational purposes and he will take any input he receives back to the committee.

#### 4. OTHER FY16 BUDGET DISCUSSION

Rick Moorefield, County Attorney, reviewed the two resolutions as recorded below. Mr. Moorefield stated the resolution to enhance the local occupancy tax recognizes that travel and tourism is one component of economic development and a vital and important industry in Cumberland County. Mr. Moorefield stated this resolution will direct all decision making for the contracted use of local occupancy tax funds to the Board of Commissioners.

Mr. Moorefield stated the prepared food and beverage tax has been used for operations and debt service; the resolution is asking the legislature to remove the requirement that the tax has to be repealed at the end of the debt service and to expand the permitted use of the tax proceeds.

Mr. Moorefield stated this is not a proposal before the legislature but a first step by resolution requesting that the legislature to consider these two options.

\*\*\*\*\*

#### CUMBERLAND COUNTY BOARD OF COMMISSIONERS SPONSOR RESOLUTION TO ENHANCE THE LOCAL OCCUPANCY TAX

WHEREAS, the Cumberland County Board of Commissioners in 2002 levied a Local Occupancy Tax in Cumberland County pursuant to authority granted by the General Assembly through Session Law 2001-484.

WHEREAS, in the years since the Local Occupancy Tax was put into place, the County's population has grown significantly and its cultural, arts, sports and entertainment venues and facilities have aged and need to be updated and retrofitted to accommodate its citizens' needs.

WHEREAS, while the demand for capital needs and improvements necessary to promote travel, tourism, arts venues, recreation facilities, and festivals for our community has increased, the efforts to market our community and accommodate this demand have become stagnant and, in some areas, ineffective.

WHEREAS, the Board of Commissioners recognizes that travel, tourism, entertainment and cultural amenities are vital to the community's well-being and economic growth and development.

WHEREAS, the Local Occupancy tax generates more than \$5,600,000.00 annually and the uses of this significant revenue have been determined by a small number of government and private, nonprofit agencies with limited oversight and accountability.

WHEREAS, the members of the Board of Commissioners believe that our Local Occupancy Tax legislation should be updated to promote investment in our community, our citizens and our visitors.

WHEREAS, The Board of Commissioners desires to work with Cumberland County's local legislative delegation to request the General Assembly to shift the direct authority for distributing the proceeds from the Local Occupancy Tax to the Board of Commissioners and to further update the legislation to enhance the means by which the Board may address the needs and desires of the County's residents.

NOW, THEREFORE, the Cumberland County Board of Commissioners do hereby request that the General Assembly amend the state statute to provide for the distribution of all the Local Occupancy Tax proceeds directly by the Board of Commissioners subject to the following:

- 45% of Occupancy Tax proceeds shall be invested in capital needs and improvements of facilities that enhance travel and tourism within Cumberland County.
- 25% of Occupancy Tax proceeds shall be disbursed through contracting with community organizations or private vendors to market and advertise festivals, athletic events and tournaments, arts venues, cultural arts, community markets and other events that encourage tourism and travel to Cumberland County.
- 20% of Occupancy Tax proceeds shall be disbursed through contracting with community organizations or private vendors to market our community by advertising and promoting travel, tourism, and conventions within Cumberland County.
- 7% of Occupancy Tax proceeds shall be used to market Cumberland County for economic development purposes.
- 3% of Occupancy Tax proceeds shall be retained by the County for administration costs.

As a sponsor or co-sponsor of this resolution, the members of the Board of Cumberland County Commissioners request that the Session Law 2001-484 be amended to reflect these changes.

CUMBERLAND COUNTY BOARD OF COMMISSIONERS  
SPONSOR RESOLUTION TO ENHANCE THE PREPARED  
FOOD AND BEVERAGE TAX

WHEREAS, the Cumberland County Board of Commissioners in 1993 levied a Prepared Food and Beverage Tax in Cumberland County pursuant to authority granted by the General Assembly through Session Law 1993-414.

WHEREAS, the use of the proceeds from the Prepared Food and Beverage Tax is restricted to capital needs and operating, marketing and promoting the facilities of the Crown Coliseum Complex.

WHEREAS, the existing debt service on the facilities of the Crown Coliseum Complex will continue until 2024.

WHEREAS, Session Law 1993-414 requires the Board of Commissioners to repeal the Prepared Food and Beverage Tax when the existing debt on the facilities of the Crown Coliseum Complex is paid.

WHEREAS, the Commissioners believe it will always be necessary to maintain, refurbish and update the facilities at the Crown Coliseum Complex and the operations will always need to be subsidized.

WHEREAS, there is no local revenue source to substitute for the Prepared Food and Beverage Tax except property taxes.

WHEREAS, The Board of Commissioners desires to work with Cumberland County's local legislative delegation to request the General Assembly to update Session Law 1993-414 to give the Board greater flexibility to address the needs and desires of the County's residents for arts, entertainment and sports venues and activities.

NOW, THEREFORE, the Cumberland County Board of Commissioners do hereby request that the General Assembly amend Session Law 1993-414 by removing the requirement that the Cumberland County Prepared Food and Beverage Tax be repealed upon payment of the existing debt service on the facilities of the Crown Coliseum Complex and to further expand the permitted uses of the tax proceeds to any purpose that will promote or enhance tourism, travel, arts, entertainment and sports venues and activities within Cumberland County.

As a sponsor or co-sponsor of this resolution, the members of the Board of Cumberland County Commissioners request that the Session Law 1993-414 be amended to reflect these changes.

Commissioner Keefe stated as an elected body, the Board of Commissioners has to look forward to the sustainability of the County and its facilities. Commissioner Keefe offered the following motion:

MOTION: Commissioner Keefe moved to adopt the Resolution to Enhance the Local Occupancy Tax and the Resolution to Enhance the Prepared Food and Beverage Tax to send to the General Assembly.

SECOND: Commissioner Council

VOTE: UNANIMOUS (6-0)

MOTION: Commissioner Keefe moved to approve the additional 10 time-limited positions for the Department of Social Services with County's portion not to exceed \$75,000.

SECOND: Commissioner Council

VOTE: UNANIMOUS (6-0)

In response to a question posed by Commissioner Council, Ms. Cannon stated there was also a request to reduce the FY16 recommended budget by \$205,000.

MOTION: Commissioner Council moved to include the two changes in the FY16 recommended budget and direct the county manager to prepare the budget ordinance for signature on Monday, June 8.

SECOND: Commissioner Faircloth

DISCUSSION: Commissioner Evans stated homelessness has been highlighted as an issue and there should be a higher amount budgeted for this initiative. Commissioner Keefe stated he believes the amount budgeted is adequate and he does not want the money spent frivolously until there is a plan in place. Ms. Cannon stated this is the reason she recommended limited funding this first year. Ms. Cannon stated this initiative requires thoughtful and strategic steps so all the resources in this community can be better coordinated. Ms. Cannon stated management has begun the process of gathering the information that is needed to move forward.

VOTE: UNANIMOUS (6-0)

MOTION: Commissioner Council moved to adjourn.

SECOND: Commissioner Keefe

VOTE: UNANIMOUS (6-0)

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