

**CUMBERLAND COUNTY  
FINANCE COMMITTEE MEETING  
THURSDAY, JANUARY 7, 1999, 2:00 PM**

**Present:** H. Mac Tyson II, Chairman  
Billy R. King, Commissioner  
Ed G. Melvin, Commissioner  
Cliff Strassenburg, County Manager  
James Martin, Deputy County Manager  
John Bittle, Interim Solid Waste Management Director  
Amy H. Cannon, Finance Director  
Howard Abner, Finance  
Grainger Barrett, Senior Staff Attorney  
Karen Musgrave, Staff Attorney  
Darlene Smith, Solid Waste Management  
Bob Tucker, Finance  
Rhonda C. Raynor, Deputy Clerk to the Board

**Others:** Chip Dodd, BFI  
Press

**1. Election of Chairman**

**Commissioner Melvin nominated Commissioner Tyson for Chairman of the County Finance Committee.**

**Commissioner King nominated himself for Chairman of the County Finance Committee.**

**VOTE: Commissioner Tyson - Commissioners Melvin & Tyson  
Commissioner King - Commissioner King**

**Commissioner Tyson was elected Chairman of the County Finance Committee.**

**2. Selection of Regular Meeting Date and Time.**

**The regular meeting date and time for the County Finance Committee was set for the first Thursday of each month at 8:30 AM in Room 564 of the New Courthouse.**

**3. Approval of Minutes: December 3, 1998 and December 29, 1998.**

**MOTION:** Commissioner King offered a motion to approve the December 3, 1998 and December 29, 1998 Finance Committee meeting minutes.  
**SECOND:** Commissioner Melvin  
**VOTE:** UNANIMOUS

**4. Consideration of Changes in Cash Management and Investment Policy.**

Deputy County Manager James Martin asked that this item be removed from the agenda and be considered at the next Finance Committee meeting. He advised staff had not been able to prepare all the necessary information needed for consideration by the committee.

**MOTION:** Commissioner Melvin offered a motion to remove item 4 from the agenda.  
**SECOND:** Commissioner King  
**VOTE:** UNANIMOUS

**5. Consideration of Retaining Outside Firm to Collect Returned Checks.**

A Cumberland County Returned Check Summary was presented to the board. This item is attached to these minutes as "Exhibit A".

Karen Musgrave, Staff Attorney advised on average, the County receives two to three returned checks each day. The current collection procedure is for a staff person in the department receiving the returned check to write a letter to the person asking that funds be remitted. If no answer is received, a second letter is sent by the department on the County Attorney's letterhead. If there is still no response, the County Attorney's Office takes legal action. Ms. Musgrave noted the average face value of a check returned to the County is \$36.11. The average face value of a check returned to the Tax Office is \$621.81. It typically costs the County \$36.00 to collect a returned check. Two different collection agencies have been contacted with regard to handling this process for the County. They want to retain a company that does not charge the County a fee for the service. One of the companies is paid by collecting the returned check fee. This company would send the County the face value of the check upon collection and keep the returned check fee as their fee. The other company they have talked with requires an up-front fee from the County. The goal is to find the most cost effective way to collect these returned checks.

Commissioner Tyson asked if the County currently sought action on returned checks in civil or criminal court. He noted he would personally favor the criminal court system as it usually gets immediate action.

Ms. Musgrave noted the County goes through the civil court process.

Commissioner Tyson asked why the County was not using the criminal court process to collect returned checks.

Ms. Musgrave stated it was her understanding that the County Attorney's Office utilized the criminal court process in the past. However, because of all the other district court matters in the criminal system, the collection of returned checks was usually placed at the bottom on the list. It took a long time to proceed through the criminal court system because people would not show up for court, continuances would be granted, etc. In civil small claims court, the process is quicker and the County Attorney's Office is not required to pay the fees for processing these cases up front.

Commissioner Melvin stated the outside firm could be tried for 90 days to see if it goes well.

Ms. Musgrave stated the County also incurs problems in contacting the people who have passed these bad checks due to the highly transient population we have. The outside firm is able to make a report to the credit bureau. This will allow the County's lien to stay on the person's credit report and it will hopefully come up in the future and be another way to encourage the person to pay the check. The firm will do everything for the County. The firm will write the letters, do the follow-up and trace the person if they leave the community. CDM is the agency they are recommending the County use. CDM is a local company.

Amy Cannon, Finance Director stated the City of Fayetteville has used CDM for four years and have advised they have been very satisfied and have not had any problems. Utilization of this firm will save staff time on all returned checks, small and large.

Mr. Strassenburg stated he would rather have a staff person in a department doing what needs to be done in that department rather than trying to collect returned checks.

Ms. Musgrave stated they would like to commit to use CDM for one year, but if the Committee would feel more comfortable with a shorter period of time, she would like to suggest six months.

Mr. Strassenburg noted Management will give interim reports to the Committee to let them know whether or not they are satisfied with the services being provided by CDM.

**MOTION:** Commissioner King offered a motion to retain CDM to collect returned checks for the County for a period of six months with a report to the committee in the interim.

**SECOND:** Commissioner Melvin

**VOTE:** UNANIMOUS

**6. Review of Solid Waste Proposals.**

Mr. Martin presented a handout to the committee entitled "Analysis of Cumberland County Solid Waste Proposals - 5 Year" and "Analysis of Cumberland County Solid Waste Proposals - Life of Landfill". Both were as of January 5, 1999. This report is attached to these minutes as "Exhibit B". He reviewed what the County asked the companies to bid on. He noted there are County Added Costs indicated on the Analysis which indicates services not bid on by the proposer. There is not a proposer that will provide the entire level of service the County currently provides. The County will have to remain in business to do some part of something if not some part of everything the companies were asked to bid on.

Mr. Martin noted the third sheet of the handout concerns the life of the County Landfill. In their proposal, the County asked the companies for any other suggestion in the area of their expertise. There were two companies that gave a proposal based on their projection of the life of the Ann Street Landfill. The County estimates the life of the landfill to be 17 years. Carolina Container used a greater compaction and estimated the life at 20 years. Santek estimated the life at 12 years. He feels the County's estimate is the one that is closest to being the accurate life of the landfill. Also, the County's numbers for services is better than Carolina Container and Santek.

Mr. Martin noted all of the numbers presented are fluid based on the actual number of volumes of hauls from convenience containers and haulers. If the volume is one bit greater than what the County has estimated, they will get a \$100 to \$110 charge. The County nor the Company providing the service would be able to control the costs because there is no way to exactly project the volume that will go into the landfill. Because any service level different from what was projected will cost the County more money, and because of the differences stated, he feels the County should stay in the Solid Waste business and not contract with an outside company to perform the services. He noted the Board of Commissioners voted to take the debris from the demolition of the buildings at the new DSS Building site and the Airborne Museum site to the landfill at no charge. If the County was not operating the landfill, this could not be done. He feels for a lot of other intangible reasons, the County should stay in the Solid Waste business. Management and staff believe the County is capable of doing the job and controlling the fees more than an outside firm can.

Mr. Strassenburg noted the Committee needs to take action and decisions need to be made because new cells for the landfill need to be built and the employees in the Solid Waste Management Department need to know whether or not they are going to continue to be County employees.

Commissioner Melvin thanked the staff for the tremendous job they have done on this project. He still has concerns about BFI saying they can save the County three million dollars if they take over the operation of our Solid Waste services.

Chip Dodd with BFI stated they looked at the budget from the County when making their proposal. The budget is what they based their three million dollar figure on. Since County Management has met with them and reviewed the budget in depth, it looks like BFI can provide the services and save the County \$1.3 million. She noted they did not include Administration or BCH in their figures.

Mr. Strassenburg noted the \$1.3 million comes from the difference in what is budgeted and the actual costs.

Commissioner Melvin asked how much was in the BCH budget.

Mrs. Cannon stated there is \$2.3 million in the BCH budget, but that amount is not included in any of the figures presented in the handouts.

Mr. Martin stated Management met with each of the six firms submitting proposals. They did not have any disagreement in any of the cost figures presented in the handouts.

Ms. Dodd stated BFI did not have any disagreement in the figures presented.

Mr. Martin noted a lot of the money Ms. Dodd is referring to is contingency money the County does not intend to spend. Management believes there is intangible value in having County people monitoring what is dumped at the container sites. County employees working at these sites do a diligent job of pulling out hazardous items that could cause contamination problems for the landfill as well as recyclable items. Recently a large quantity of metal was pulled out of what would have been dumped in the landfill and sold for salvage, making money for the County.

Commissioner Melvin asked if staff felt the \$48.00 dollar solid waste user fee can be held with no increase for twelve months.

Mr. Martin stated staff feels the fee can remain at \$48.00 if the volume continues at current levels. They will still have a loss due to the commercial waste the City of Fayetteville is sending to Sampson County to be dumped.

Commissioner Melvin asked if the \$48.00 fee could be lowered.

Mr. Martin stated the fee could not be lowered. Any surplus will need to be set aside to pay for the building of the next Subtitle D Cells (numbers 6 & 7) in the next year. Within the next 3-4 years, cells 8, 9 & 10 will have to be built. So far, the County has been able to "pay as we go" on these cells.

Commissioner Tyson asked for an update on the filling of the Solid Waste Management Director position.

Mr. Strassenburg advised John Bittle is serving as the Interim Director.

Mr. Tyson asked if there was any way to cut personnel in the Solid Waste Management Department by way of positions that were not currently filled or hours of operation for any of the sites. Is there currently anything that can be done to cut costs.

Mr. Strassenburg stated the Solid Waste Management Department cut a lot of areas and hours of operation when the Board of Commissioners addressed the same issue being discussed today a few years ago.

Mr. Bittle stated there was a Director and Assistant Director in the Department. Now there is only one person serving. That has created a costs savings. He noted the Ann Street Landfill is open 8AM to 5PM including the lunch hours.

Mr. Strassenburg noted as part of the directive from the Commissioners to ask Department Heads to present budgets that would not result in a tax increase, every department, including Solid Waste will be looking for ways to cut costs. A report will be given to the Commissioners during their retreat at the end of January.

Mr. Bittle advised the committee there are other ways the Solid Waste Management Department can save and he will bring a proposal to management.

**MOTION:** Commissioner Melvin offered a motion that the County continue to provide solid waste services through the Solid Waste Management Department. He directed management not to come before the Finance Committee in the next few months with a request for an increase in the Solid Waste User Fee and to eliminate the Deputy Solid Waste

**Management Director position in the Solid Waste Management  
Department.**

**SECOND: Commissioner Tyson**  
**VOTE: UNANIMOUS**

Commissioner King stated he feels the County should look at privatizing some services.

Commissioner Tyson asked that the minutes reflect that the Solid Waste Management Department is doing the same job with less people and less money. He thanked them for their hard work.

**7. Other Committee Concerns.**

Commissioner Tyson stated he has been approached by several citizens who have stated a need for a drop-box for payment of taxes. Mr. Garrett Alexander, the Tax Administrator had suggested a drop-box on the fifth floor outside the tax offices. Mr. Tyson stated this is something that has been discussed for a long time and he would like to get something done.

Commissioner Melvin stated if Mr. Alexander had the funds in his budget to purchase the drop-box he had no problem with one being purchased.

Mr. Strassenburg advised the City of Fayetteville is developing a joint utility center and there have been discussions about allowing citizens to pay their taxes at this center. He doesn't know at this point if it will work well.

Mr. Alexander advised he placed a suggestion box in his office about seven months ago. The prevailing suggestion is for a payment box to be placed outside the tax offices. He has contacted a company that makes these type of boxes and can purchase one that mounts on the wall for approximately \$400. He has the funds in his budget to purchase this box.

There was discussion of placing a drop box outside the courthouse and using the vacuum system used by the Clerk of Court to take the payment to the tax offices on the fifth floor.

It was the consensus of the Committee Members to allow Mr. Alexander to purchase a drop box to be used to collect tax payments outside the tax offices.

No other items of business were mentioned.

Meeting adjourned 3:10 PM.