

Cumberland County Finance Committee  
October 12, 2006, 8:30AM

Members

Present: Chairman Kenneth Edge  
Commissioner John T. Henley, Jr.  
Others: Commissioner Talmage S. Baggett, Jr.  
Commissioner J. Breeden Blackwell  
Commissioner Diane Wheatley  
James Martin, County Manager  
Amy Cannon, Asst. County Manager  
Cliff Spiller, Asst. County Manager  
Grainger Barrett, County Attorney  
Marsha Fogle, Clerk  
Sara VanderClute, PIO

Member

Absent: Commissioner Jeannette Council

1. Approval of Minutes: March 21, 2006

MOTION: Commissioner Henley moved to approve.

SECOND: Commissioner Edge

VOTE: UNANIMOUS

2. Consideration of a request from the Fire Chief's Association for the County to fund a match for a grant for radios (Freddy Johnson, Sr.)

BACKGROUND: Freddy L. Johnson, Sr. President, Fire Chief's Association, requested the Board of Commissioners provide matching funds for a \$1 million grant to equip all volunteer fire departments with 800MHz digital radios. If the grant is approved, the local match is 20% or \$240,878.

The County Manager recommends approval as follows:

- the County will pay ½ of the match from its General Fund;
- the County will advance the remaining ½ from the General Fund, to be repaid from the 40% share that the Fire Chief's Association receives from the Special Fire district Tax over a five-year period at no interest.

Mr. Johnson said no fire department would see a deduction in any special district tax funds it receives. Matching funds will come from the 40% money that goes to the Fire Chief's Association.

Commissioner Henley inquired if work on fire department contracts had been completed and specifically if there was a requirement in the contract that if a fire department is dissolved, such as because of annexation, reserves (funds) will return to the County. Mr.

Johnson said work is being done on modifications to the contract. The County Attorney indicated there have been discussions and agreement reached on almost all issues, but no agreement and been reached on this specific issue. He said the attorney for the Fire Chief's Association had some concerns about agreeing that such funds should be returned to the County. He said he thought work on the contracts could be completed by early in the year to be effective the first of July (beginning of the new fiscal year). The commissioners present expressed a consensus that the fire department contracts include such a provision because these funds are the public's tax moneys.

The Committee asked staff to provide it with an audit of the funds that were disbursed when the City of Fayetteville annexed two volunteer fire departments.

James Martin, County Manager, noted the importance of the fire departments having the 800MHz capability.

As background information, the Manager noted that the State of North Carolina used Homeland Security funds to establish major tower structures for an 800MHz system, referred to as the VIPR system. The County would pursue using the VIPR system radios through the State system at no cost for hours used. In addition, the Manager noted that there may be some issues with the Sheriff's Office radio system coverage and "dead spots" that the cost to address those problems could be as much as \$8 -10 million.

Commissioner Blackwell said he had heard the VIPR system has experienced some coverage difficulties in some of the mountain counties. Mr. Doc Nunnery, Director, Emergency Management Department, noted some of those problems were encountered because there were not enough towers. The mountainous topography made it difficult to communicate without towers placed closer together. Mr. Nunnery said that would not be a problem here.

Commissioner Henley noted the importance of having a contract with the volunteer fire departments that set out a policy on how reserve money would be disbursed if that fire department were annexed into the City. Other commissioners present concurred.

MOTION: Commissioner Henley moved that the Finance Committee recommend to the Board of Commissioners approval of the 20% match as recommended by the Manager and outlined above.

SECOND: Commissioner Edge

VOTE: UNANIMOUS

3. Consideration of funding options for a new health department building, as requested by the Board of Health.

The County Manager noted the options for funding are as follows:

- General Obligation Bonds
- Certificates of Participation (COPS)

#### Pay as you go (not feasible)

He said staff did not have a recommendation at this time because they wanted to take into consideration total other capital needs in a comprehensive manner. He noted the request from the school system for \$55 million with a potential need of \$155 million. He also noted library needs and administration space needs.

Commissioner Wheatley noted some Mental Health facilities may become vacant which could be sold and the money used for capital outlay needs. It was noted that if a new health department building was constructed, the old building could be sold and the funds used to help pay back the debt. Commissioner Blackwell indicated that Fayetteville State University may be looking for a nursing facility and that the County should approach the University to see if it might be interested in the current health department building.

Commissioner Henley said a new health department building makes sense and we need to move on it quickly.

The County Manager said he could have recommendations back to the Board regarding funding options for capital needs in the next 60 days. Chairman Edge said he thought the full Board could talk about this issue at its Retreat in January or February. Commissioner Henley said he would like to have Mr. Martin's recommendation prior to the Retreat so the Board will have some time to review it.

The Local Government Commission has changed its position that the County must state it will increase the tax rate if needed to pay back any COPS debt for capital needs. Lottery proceeds can now be designated as the payback source, with a proviso that if lottery proceeds fall short, the balance will come from available general fund sources.

Chairman Edge said he believed the school system may not have looked at all of its options as far as school space is concerned, i.e., year-round schools.

#### 4. Update on school funding formula

The County Manager said he was optimistic the county staff and school staff would be able to work out a formula that everyone could live with.

Commissioner Henley suggested that the County request more financial information from the school system so it could better understand the request for funding for new school buildings, etc.

Commissioner Blackwell noted the School Board approved funding for three School Resource Officers (SRO's). Commissioner Blackwell suggested that perhaps the County could partner in some way to provide more SRO's. Commissioner Wheatley noted that the Governor is reviewing safety plans for schools and it could be premature to address

this issue now. Chairman Edge noted the difficulty in three SRO's providing security among so many schools. SRO's are funded locally and with state money.

MEETING ADJOURNED.