

CUMBERLAND COUNTY FINANCE COMMITTEE
MAY 11, 2010, 9:30AM, ROOM 564
MINUTES

MEMBERS PRESENT: Commissioner Kenneth Edge
Commissioner Marshall Faircloth

MEMBERS ABSENT: Commissioner Jeannette Council

OTHERS: Commissioner Ed Melvin
Commissioner Phillip Gilfus
James Martin, County Manager
Juanita Pilgrim, Deputy County Manager
Amy Cannon, Asst. County Manager/Finance Director
Rick Moorefield, County Attorney
Sally Shutt, Communications Manager
Buck Wilson, Public Health Director
Dr. Lan Tran-Phu, Public Health Medical Director
Howard Abner, Assistant Finance Director
Tom Cooney, Public Utilities Director
Kenny Currie, Emergency Services Director
Bob Tucker, Finance Department
Amy Hall, Public Utilities Department
Chief Benny Nichols, City of Fayetteville
Chief Chuck Hodges, Hope Mills Fire Department
Chief Mike Hill, Wade Fire Department
Chief Mark McLaurin, Eastover Fire Department
Chief Ronnie Marley, Pearce's Mill Fire Department
Marie Colgan, Clerk to the Board

Commissioner Edge called the meeting to order. Due to the absence of a quorum at the 8:30AM Facilities Committee meeting, it was requested the item "Recommendation for LED sign for Public Health Center on Ramsey Street" from that committee's agenda be heard by the Finance Committee.

MOTION: Commissioner Faircloth moved to approve the addition of an item regarding the recommendation for a LED sign for the Public Health Center as the first item of business.

SECOND: Commissioner Edge

VOTE: UNANIMOUS

1. Recommendation for LED sign for Public Health Center on Ramsey Street

Public Health Director Buck Wilson advised a request is being made to purchase an LED sign for the Public Health Center as federal money is available to pay for the full cost. Mr. Wilson recommends approval based on the need to keep citizens informed by

providing day-to-day awareness of the various offerings at the Health Department and through this information, revenues will be increased. A pre-bid process was held and one sign company had submitted a bid for \$45,700. The location of the sign will be on Ramsey Street, approximately 50 yards from Peace Street. The sign will stand 16 feet tall with the bottom of the sign 10 feet from the ground. Messages can be programmed on the sign one year in advance and will run 24 hours a day, 7 days a week. Mr. Wilson advised the sign will need formal approval by the City of Fayetteville and he has already received their verbal commitment. There is a deadline for spending the federal dollars.

Discussion ensued regarding the size and look of the sign and it was agreed that Mr. Wilson will look into obtaining the most attractive sign possible, that the height will be appropriate for the area in which it is placed, and consideration is given to what future changes might be in the works for sign requirements.

MOTION: Commissioner Faircloth moved to recommend the approval of the LED sign subject to approval by the City of Fayetteville and that the Health Director seek the most attractive sign possible
SECOND: Commissioner Edge
VOTE: UNANIMOUS

2. Approve Minutes: April 1, 2010

MOTION: Commissioner Faircloth moved to approve.
SECOND: Commissioner Edge
VOTE: UNANIMOUS

3. Consideration of Public Safety Task Force Recommendation

Chief Benny Nichols advised a request was received from the Finance Committee to discuss two issues and he will discuss the recommendation for the low-wealth fire departments. One of the recommendations includes raising the Special Fire District Tax by $\frac{3}{4}$ cent to 1.25 cents which will bring the low-wealth departments up from \$150,000 to \$250,000 per station and the Public Safety Task Force recommends that action with the stipulation that the additional funding be used for staffing. In addition, the Task Force recommends changing the funding split between the fire departments and the Fire Chief's Association from 60/40 to 70/30 in order to meet the minimum low-wealth department funding recommendation. It is recommended that low-wealth stations receive their designated portion of the tax increase in equal quarterly payments based on projected tax revenues, starting at the end of September, 2010. Chief Nichols advised that Freddie Johnson wanted him to inform the Board that within the 30% that goes to the Fire Chiefs' Association, there are significant needs such as updating 525 radios in the departments at the cost of \$182,000 and upgrades must be done within the next 18 months. With insurance service rating changes, there will be a data site testing with very intensive changes with new standards which will require accreditation and some of the monies will help offset that activity. Some of the other items that the Fire Chiefs are responsible for is maintaining software for records management systems which is being upgraded, maintaining road runner for all county departments as well as the links between them and

other required entities. As part of the recommendation, the 30% to be distributed to the Fire Chiefs' Association will be paid at the end of the year. Mr. Martin confirmed with Chief Nichols that the additional dollars will be given on a quarterly basis to the low-wealth departments beginning in September, 2010. Discussion ensued as to whether this request should go forward to the full Board at this time or whether this should be a part of the budget process. Chief Nichols reminded the members the report provided earlier to the full Board also included very stringent standards the Task Force wants to see implemented county wide.

Commissioner Edge questioned whether any shifting of monies from the proposed E-911 Funds could go to the low-wealth departments. Chief Nichols stated it is not an allowable use of those funds, but it could help with radios and towers. There may be grant funding that would help with consolidations in the area of training, brick and mortar. Mr. Martin reminded members that part of the recommendations from the Task Force included amending contracts between the County and all fire departments. Amendments to the five low-wealth departments will have to be amended if the additional monies are approved.

Chief Nichols confirmed all fire departments have been kept fully informed of the work of the Task Force and their recommendations. After confirming with Mr. Martin the recommendations are in line with the budget process he has planned and the recommendations are supported by all the departments, the following motion was offered:

MOTION: Commissioner Faircloth moved to refer this item to be included in the budget process.
SECOND: Commissioner Edge
VOTE: UNANIMOUS

Kenny Currie spoke to the recommendation regarding the makeup of the Public Safety Commission. The Task Force recommends that a Public Safety Commission be established to make budget recommendations to the funding authority and to uphold the professional standards presented in the Task Force report. The recommendation is for the Public Safety Commission to work under an intergovernmental agreement which is being worked on for review by the County Attorney and the County Manager. A recommendation is made for the Commission to consist of the following 17 members:

- 3 Cumberland County Sheriff, EMS Chief and Emergency Services Director
- 6 Fire Chief and Police Chief from Fayetteville, Hope Mills & Spring Lake
- 3 Fire Chiefs' Representation (divide the county into geographic thirds with a station representative for each sector serving a two-year term. All stations will be listed on rotation.)
- 1 Municipal Council Member (rotating between municipal councils)
- 2 General Public Representatives (one citizen jointly selected by the Municipalities and one selected from the County)
- 1 Business and Industry Representative

1 County Commissioner

The request is to approve the formation of this Commission as listed above. Additional requests for the group's mission/guidelines will be submitted for the Board's approval as well as the membership names or any changes to the makeup of the Commission. Commissioner Edge requested that tenures be provided for all positions except those that are established by virtue of office.

Chief Nichols stated the work of the Task Force sends a strong message to the citizens they all are working together for all public safety issues, not just fire. County Manager Martin voiced his appreciation to the members of the Public Safety Task Force for the work they have done and continue to do on behalf of the entire community.

MOTION: Commissioner Edge moved to recommend to the full Board a tentative approval for the membership of the Public Safety Commission.

SECOND: Commissioner Faircloth

VOTE: UNANIMOUS

4. Approval of a Rate Increase for Sewer Service for the Norcross Sanitary Sewer System

Tom Cooney advised it has been three years since there has been a rate increase for the operational costs of the Norcross sewer system, even though the sewer service provider has imposed a small increase. The addition of a chemical called Thioguard being used to control odors has caused increased expenses. In addition, a large commercial producer is creating high strength waste in the Town of Falcon and while the waste sits in the force main and other processes take place, it turns into sulfuric acid which is damaging the system. PWC has been adding chemicals at the Wade station to protect their system and this has created charges not budgeted. Another chemical is now being used and changes to the feed rate will decrease PWC's actions and charges. Mr. Cooney is recommending a rate increase effective July 1, 2010 to \$5.50 per 1,000 gallons to cover the cost of the chemical feed and the services that were provided. Mr. Cooney has met with the company, Martin Meats, who has added high-strength waste at the Falcon system and they have agreed to accept responsibility for the additional chemicals being added due to their waste. A separate request is being sent to the full Board to allow \$100,000 from monies left over from the construction of Norcross to cover the unexpected cost and to repair the man holes. A meeting was held with the mayors of the towns and the Norcross Advisory Board to discuss the increase. The average customer increase would amount to \$3.50 per month. The towns have also asked for an increase of \$.50 for their administration fee, making it \$1.50 per month per customer. In the future, between \$15,000 and \$20,000 should be placed into capital reserves for future problems.

MOTION: Commissioner Faircloth moved to recommend to the full Board the Norcross request to increase effective July 1, 2010 its sewer usage rate to \$5.50 per 1,000 gallons or higher and to increase the towns' administration fee to \$1.50 per month per customer.

SECOND: Commissioner Edge
VOTE: UNANIMOUS

5. Acceptance of the Bids for the Replacement of the Domestic Water Lines in the Detention Center

Mr. Cooney advised during the construction of the Detention Center, the mechanical contractor used galvanized pipe for the main distribution lines and they have corroded on the inside to the point there is little flow of water in some areas. The original construction documents specified copper pipe usage. The County was not advised of any change order for this. Bids were received for the replacement of the existing galvanized water pipe system within the housing areas of the Detention Center with copper pipe. The low bid was from Coffman Plumbing in the amount of \$257,000 using silver solder which is a cost savings. Mr. Cooney recommends the Board accept the bids; award the contract to the lowest bidder, Coffman Plumbing, Inc., in the amount of \$257,000; authorize the establishment of a project contingency line within the project budget in the amount of \$12,850 (5%) only to be disbursed with the approval of the County Manager; and to approve the budget revision to establish the items listed. Mr. Cooney advised monies are available for the project as they have been expecting this need to arise.

Discussion ensued regarding any possible recourse to the original contractor for using galvanized pipe when the contract called for copper pipe. The County Attorney was asked to ascertain whether any recourse is available.

MOTION: Commissioner Faircloth moved to recommend to the full Board the staff's recommendations as stated and for the County Attorney to look into the possibility of recourse on the original contractor.

SECOND: Commissioner Edge
VOTE: UNANIMOUS

6. Monthly Financial Report

Assistant County Manager Amy Cannon provided a handout of an overview of General Fund Summary of Obligations stating this month's report is very similar to last month's report. The County's financial situation has not changed significantly either way as revenues are still exceeding expenditures and projections for sales tax and property tax collections and interest income remain the same. Comparing property tax collections (motor vehicles, real, personal and public service) to the budget, more than \$8.7 million dollars in collections over budget is expected. The County is down about 8% in sales tax collections (a little over \$2M) compared to the prior year, but that is still better than state-wide collections which are down 10.2%. Sales tax collections are expected to be flat next year. Mrs. Cannon reminded members the State is keeping 2/3 of the Beer and Wine collections. Interest income is still expected to be about \$800,000 under budget, with all other revenue categories on target. The overage in the property tax collections will help offset some of the other revenue losses. With regard to expenditures, the County is on target as 67.3% has been expended through March. Ms. Cannon stated an error was found on the Human Services line for FY2009 which would change

the 115% Human Services Other obligation to about 66%. County Manager Martin reminded members to keep in mind the school system gets 51% of the expected overage in tax collections.

7. Other Matters of Concern

No further matters were discussed.

MOTION: Commissioner Faircloth moved to adjourn.

SECOND: Commissioner Edge

VOTE: UNANIMOUS

MEETING ADJOURNED AT 9:37AM