

CUMBERLAND COUNTY FINANCE COMMITTEE
APRIL 7, 2011, 9:30AM, ROOM 564
MINUTES

MEMBERS PRESENT: Commissioner Marshall Faircloth
Commissioner Jeannette Council

MEMBERS ABSENT: Commissioner Billy King

OTHER COMMISSIONERS: Chairman Kenneth Edge
ATTENDING: Commissioner Jimmy Keefe

OTHERS: James Martin, County Manager
Amy Cannon, Deputy County Manager
James Lawson, Assistant County Manager
Rick Moorefield, County Attorney
Sally Shutt, Communications Manager
Howard Abner, Assistant Finance Director
Marie Colgan, Clerk to the Board

Commissioner Faircloth called the meeting to order at 10:00 am as the Facilities Committee meeting which met prior to this meeting did not finish at 9:30 am.

1. Approve Minutes: March 3, 2011

MOTION: Commissioner Council moved to approve the minutes.

SECOND: Commissioner Faircloth

VOTE: UNANIMOUS

2. Consideration of Three Year Audit Contract with Cherry, Bekaert & Holland, CPA's

Deputy County Manager Amy Cannon stated she is requesting the Finance Committee's consideration of a three-year contract renewal with Cherry, Bekaert & Holland, CPA's stating they have proposed an audit fee of \$115,000 for three years, which is a \$14,000 decrease from the prior year. One of the reasons for the decrease is that an increase took place in the last couple of years due to the Statement of Auditing Standards 112 which required additional work up front. The upfront work can now be handled internally and then the auditors can review the work. Additionally, there are other pieces of the audit that the Finance Office is picking up on and does not change the scope of the audit. Deputy County Manager Cannon noted the biggest risk the county has is the Human Services agencies which is the bulk of the cost of the audit. Some other counties do have lower costs by as much as \$20,000, but it is due to their writing their own reports. Cumberland does not have the expertise or staff to do this. Otherwise, the cost is reasonable and in line with others. Deputy County Manager Cannon stated under the

General Statutes this is a service and does not have to be formally bid and the county should not let price drive the decision.

MOTION: Commissioner Council moved to recommend to the full Board to authorize the County Manager and Deputy County Manager to execute a three-year contract with Cherry, Bekaert & Holland, CPA's.
SECOND: Commissioner Faircloth
VOTE: UNANIMOUS

3. Presentation of the Crown Center Business Plan

County Manager Martin advised this item is being pulled from this agenda at the request of the Crown Center Board of Directors who met yesterday and will be placed on the next agenda. The Crown Center Board of Directors requested it be pulled until they have had a chance to review the elements of the business plan. The Board is working on a marketing plan at this time and would like to include this element in the final plan. Commissioner Keefe questioned whether the draft plan came to Mr. Martin before it went to the Crown Center Board. County Manager Martin confirmed that it did. The consensus of the committee was to allow the business plan to be pulled because they also prefer it include the marketing plan before considering. County Manager Martin added that the proposed budget for FY 2012 does remove the general fund contribution to the Crown's operation and it has already been acted on by their board.

4. Review of Monthly Financial Report

Howard Abner provided information on the monthly financial report by stating the current expenditures show 63.65% as compared to 60.82% of the prior year. Spending closer to the end of the year is expected to be closer to the 97% level. County Manager Martin stated this is true as the county is doing tighter budgets every year and has asked departments to hold the line on spending to a certain amount. Mr. Abner added that when this is done, departments tend to spend most of their budget. In answer to a question posed by Commissioner Council, Mr. Howard stated if the federal government shuts down, it would delay reimbursements, but should not stop operations of the county.

Commissioner Keefe commented on category 30 (Unrestricted Intergovernmental), questioning how the sales taxes for the municipalities works. Mr. Abner advised that municipalities are not billed for sales tax until after December since it is done on a quarterly basis and the first figures are not received until after December. Mr. Abner added that we are only ½ percent off from what is expected and reminded members it is strictly decided on by what amount of sales tax is brought in. Commissioner Faircloth praised the County Finance Department stating it provides a great service to these municipalities.

Chairman Edge questioned whether any other information had been received on the state looking at county fund balances. Deputy County Manager Cannon stated she had not received anything further. Mr. Abner added that the state was furnished the information

they requested but he wanted the Finance Committee members to understand the state asked for “total available fund balance” which is a statutory number the Local Government Commission uses. However that is not money actually available to the county to spend as there are reserved uses which is over \$30M. Mr. Abner added that monies are set aside in assigned reserve accounts; such as, for the monies set aside for the potential upgrade of the Public Health Department. Mr. Abner reminded members these are one-time monies and are not recurring and things the state will pass down will be re-occurring. Commissioner Council voiced her frustration with informing the public about these issues.

5. Other Matters of Concern

Commissioner Keefe stated the Sheriff had mentioned to the board there is a real push for misdemeanor convicted criminals to be housed in our jail facility for up to two years. Commissioner Keefe stated the board should let the legislators know this move is not supported as it will significantly increase the cost to the county. Chairman Edge advised the NCACC is fighting it already. Commissioner Faircloth stated he believes that the board may need to re-think the jail expansion if the state will be looking at facilities that have available space. Commissioner Council voiced her concern about the recurring cost of housing them and how it will affect services to our citizens.

MOTION: Commissioner Council moved to recommend to the full Board a prepared resolution opposing the recurring cost for convicted misdemeanor criminals to be housed in our local jail facility.

DISCUSSION: County Manager Martin reminded members the county already houses those who terms are for up to 90 days, but through some research Sgt. McRainey had completed, he stated the jail facility will increase his average-daily population by a minimum of 150 beds if the convicted misdemeanor criminals are required to stay in-county jail facilities. He also understood it could be up to six years and that the county in which the individual was convicted would be required to house them and if that county does not have the space, they would have to pay for bed space in another county that does have room. County Attorney Moorefield added the convicted inmates must be segregated from the non-convicted individuals and females are segregated from males.

SECOND: Commissioner Faircloth

VOTE: UNANIMOUS

MEETING ADJOURNED AT 10:25 AM