

CUMBERLAND COUNTY FINANCE COMMITTEE  
NEW COURTHOUSE, 117 DICK STREET, 5TH FLOOR, ROOM 564  
SEPTEMBER 5, 2013 - 9:30AM  
MINUTES

MEMBERS PRESENT:       Commissioner Marshall Faircloth, Chairman  
                                  Commissioner Jeannette Council  
                                  Commissioner Kenneth Edge

OTHER COMMISSIONERS

PRESENT:                   Commissioner Ed Melvin (departed at 10:00 a.m.)

OTHERS:                   James Martin, County Manager  
                                  Amy Cannon, Deputy County Manager  
                                  James Lawson, Assistant County Manager  
                                  Rick Moorefield, County Attorney  
                                  Melissa Cardinali, Finance Director  
                                  Howard Abner, Assistant Finance Director  
                                  Sally Shutt, Chief Public Information Director  
                                  Jeffrey Brown, Engineering and Infrastructure Director  
                                  Buck Wilson, Health Department Director  
                                  Candy York, Health Department Accountant  
                                  Julean Self, Deputy Human Resources Director  
                                  Dan Domico, Human Resources Consultant  
                                  Brenda Jackson, Social Services Director  
                                  Heather Skeens, Social Services Assistant Director  
                                  Randy Beeman, Emergency Services Director  
                                  Candice White, Clerk to the Board  
                                  Press

1.       APPROVAL OF MINUTES – MAY 2, 2013 REGULAR MEETING

MOTION:       Commissioner Edge moved to approve the minutes.

SECOND:       Commissioner Council

VOTE:         UNANIMOUS (3-0)

2.       CONSIDER EXTENSION OF CURRENT SALES TAX DISTRIBUTION  
INTERLOCAL AGREEMENT AS REQUESTED BY THE CUMBERLAND  
COUNTY MAYORS' COALITION

BACKGROUND:

At its meeting on Friday, May 3, 2013, the Cumberland County Mayor's Coalition discussed sales tax distribution.

At its meeting on Friday, August 2, 2013, the Cumberland County Mayor's Coalition sent a written request to Chairman Keefe that the Cumberland County Board of Commissioners

consider extending the current Sales Tax Distribution Interlocal Agreement for an additional seven years.

**RECOMMENDATION/PROPOSED ACTION:**

Consider request of the Cumberland County Mayors' Coalition regarding the sales tax distribution interlocal agreement.

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James Martin, County Manager, reviewed the background information as recorded above and stated the written request was signed by the Mayor from each municipality. Commissioner Council asked Mr. Martin for his recommendation. Mr. Martin stated to keep the current agreement, as long as the municipalities are in agreement with it, would be to the advantage of both the county and municipal governments. Mr. Martin stated he would recommend that the committee give strong consideration to moving in that direction.

Commissioner Faircloth stated no one knows what the North Carolina legislature will do with the sales tax and there is also a revaluation coming up in 2016, so he is not in favor of making a commitment at this time.

Commissioner Edge stated if everything were to stay the same, he would like to see the agreement stay in place; however, committing seven years out could put the county in a difficult position, particularly if the legislature changes the way it distributes the sales tax. Commissioner Edge stated for this reason, he would be cautious about moving forward at this time.

Mr. Martin stated if the current agreement had not been extended, then the county would have had two options to consider: 1) how or whether to make up any portion of \$6 million in sales tax distributions it had been benefiting from for ten years, or 2) whether to change the allocation formula which would have meant major reductions in municipal sales tax funding.

Commissioner Council stated her concern is for the smaller municipalities, and asked whether the attorney could craft language for a compromise or whether the agreement could be extended halfway out.

Commissioner Faircloth stated he would not mind extending the agreement to the year of the revaluation. Questions and discussion followed.

Rick Moorefield, County Attorney, advised cities, to include Fayetteville, have been seeking legislation that would allow them to receive the sales taxes directly from the state and not go through counties. Mr. Moorefield stated these concerns and concerns about revaluation could be addressed in the agreement.

Commissioner Council stated the next meeting of the Mayor's Coalition is the first Friday in November and asked whether the committee could think about it for another month, and make sure all commissioners look at it, so a report can be made back to the Mayor's Coalition at the November meeting.

### 3. REPORT AND RECOMMENDATIONS REGARDING PHASE II OF CLASSIFICATION AND PAY STUDY

#### BACKGROUND:

Phase I of the Classification/Pay Study involved a review of general County government positions and was implemented July 2012. As presented to the Board of Commissioners in 2012, Phase II of the study was completed in the 1<sup>st</sup> quarter of this fiscal year and involved a review of Human Service agency positions (i.e., those positions assigned to the Department of Social Services and the Department of Public Health). The study process used in Phases I & II was the same in terms of collecting job and salary information; however, some additional steps were required, such as obtaining the NC Office of State Personnel approval, as the Human Service agency positions are subject to the State Personnel Act. Also, in Phase I, the study team essentially developed new classifications and reallocated the County's positions to these classifications. In Phase II, the study team was required to use existing State classification titles; therefore, the study recommendations involve more salary grade changes than position reallocations. 990 positions were studied in Phase II and approximately 69% (632 employees) will be eligible for a salary increase upon study implementation. The Board allocated \$1.3 million to implement Phase II and the funding to support the study recommendations is within the budgeted allocation.

#### RECOMMENDATION/PROPOSED ACTION:

County Management and Human Resources recommend approval of actions proposed in Phase II of the Classification and Pay Study.

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James Lawson, Assistant County Manager, recognized Julean Self, Deputy Human Resources Director, and Dan Domico, Human Resources Consultant, as well as Buck Wilson, Health Department Director, and Candy York, Health Department Accountant, and Brenda Jackson, Social Services Director, and Heather Skeens, Social Services Assistant Director. Mr. Lawson called on Mr. Domico who provided the following presentation to include the background information as recorded above:

#### Classification & Pay Study Phase II – Human Service Agencies

##### Continuation of Study

- Phase II was completed in year 2 as presented to BOC on May 11, 2012
- Supports County Strategic Plan 2011 – 2012
- Implement Goal 5/Objective 5: Explore competitive pay and update classification system

##### Study Process – Similarities to Phase I

- Researched current human service systems
- Collected up to date job information
- Surveyed labor market
- Recommended classification and salary grade changes where appropriate

Mr. Domico salary administration for this phase of the study is consistent with Phase I in which those eligible to receive an increase received the higher of 5% or the new minimum of their higher grade.

Study Process – Differences to Phase I

- Compared job duties and responsibilities to established State Personnel classifications
- Obtained State Personnel approval on study recommendations and the County’s Local Government Pay Plan

Mr. Domico stated positions within the Department of Public Health and Department of Social Services (DSS) are subject to the State Personnel Act which means the NC Office of State Personnel also had to approve position classification recommendations. Mr. Domico advised this approval has been received.

Study Findings

- Majority of positions are properly classified and titles are current
- Many classifications have salary grades that are significantly behind the labor market
- Classification/salary grade relationships identified in 66 General government positions.
- Study of Income Maintenance positions in DSS are being delayed until January 2014  
Impact of NCFAST on position duties and responsibilities (198 total positions due to job duty changes)

Mr. Domico stated under the State Personnel Act, the county has to maintain occupational job grouping relationships which means if a position such as an Office Assistant I is adjusted, the state requires that all Office Assistant position levels have to be adjusted in order to maintain the grade level differentials. Mr. Domico stated that is the reason there are so many classification changes as far as salary grades and less reclassifying of jobs.

Study Statistics

ACTION	TOTAL
Total Positions Studied	992
Positions Receiving Salary Increase	688
To Be Studied	198

Study Results

Employees Receiving Salary Increases 69%; there will be no salary reductions

James Lawson, Assistant County Manager, stated it is anticipated that the 198 Income Maintenance positions being delayed until January 2014 will not increase in responsibility so the probability is that those positions will not increase in grade and therefore not result in any additional cost.

Funding: BOC approved \$1.3 million for the Classification and Pay Study implementation

General Fund Obligations	Cost for Remainder of Fiscal Year	Cost (Annualized) for Next Fiscal Year
Salary Increases	\$1,153,593.09	\$1,492,165.42
Benefits	\$211,107.53	\$273,066.27
Total	\$1,364,700.62	\$1,765,231.69
Revenue Offset	(\$559,217.70)	(\$723,344.58)
Net Cost to County	\$805,482.93	\$1,041,887.11

Mr. Domico explained the revenue offset is mainly in the area of Social Services because many of the positions are split funded. Mr. Domico advised the total actions proposed in Phase II are less than the approved \$1.3 million for study implementation.

Consideration/Action Items

- Approve the new Classification/Pay plan.
  - Class/Pay Plan Changes
- Upon approval, Study becomes effective September 22, 2013

Mr. Domico stated the chart below is for information only.

# of Classifications receiving salary grade increase	96
# of New Classifications	17
# of Deleted Classifications	20
# of Re-titled Classifications	3

Mr. Domico concluded his presentation and responded to questions.

MOTION: Commissioner Council moved to approve the actions proposed in Phase II of the Classification and Pay Study.

SECOND: Commissioner Edge

VOTE: UNANIMOUS (3-0)

In response to a question posed by Commissioner Faircloth, Amy Cannon, Deputy County Manager, explained the county budgets salaries on a fiscal year basis and reporting is on a calendar year basis, and stated county Human Resources and Finance have a plan in place to execute Phase II in a timely manner to be effective for the September 22<sup>nd</sup> pay period.

#### 4. UPDATE ON VANDER SEWER PROJECT BID SCHEDULE

##### BACKGROUND:

On October 6, 2011, Cumberland County was awarded a grant from The Golden LEAF Foundation in the amount of \$469,218 for the extension of a sanitary sewer line into the Vander community with the ability to serve civic organizations as well as businesses. The initial completion date for this project was to be October 6, 2012. However, due to the fact that the route was changed in order to serve a greater population, the completion date for the project was extended to April, 2014. An interlocal agreement was executed between PWC, the City of Fayetteville, and Cumberland County in August, 2012 where PWC agreed to participate in the cost of the project since the relocation of the line would increase their future service area.

The project is currently being advertised and the bid opening is scheduled for 2:00 PM on Thursday, September 5<sup>th</sup>. The most recent engineer's estimate has the project cost at \$1,051,239. As part of the interlocal agreement, PWC will pay the cost of the project that exceeds the Golden Leaf Grant. In order to comply with the grant deadline, this project will have to be placed on the agenda for approval at the September 16<sup>th</sup> Board of Commissioners meeting, therefore bypassing the Finance Committee meeting scheduled for October 3<sup>rd</sup>.

##### RECOMMENDATION/PROPOSED ACTION:

The Finance Committee is not being asked to take any action today. This item was placed on the agenda in order to give advance notice to the Committee that approval of the bid will be placed on the agenda for the September 16<sup>th</sup> Board of Commissioners meeting.

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Jeffrey Brown, Engineering and Infrastructure Director, review the background information as recorded above and stated due to the strict timeframes to get the project moving and not jeopardize funding from The Golden LEAF Foundation, it was necessary to provide this update on the bid schedule to the Finance Committee prior to placing on the September 16, 2013 Board of Commissioners' meeting agenda. In response to a question posed by Commissioner Faircloth, Mr. Martin stated if the project comes in above \$1 million, then the PWC will have to make another decision about paying the cost. Mr. Brown stated Steve Blanchard, PWC CEO/General Manager, has communicated it will not be an issue that will jeopardize the project.

At the request of Mr. Martin, Chairman Faircloth added the following update on the Overhills water/sewer project.

Mr. Brown advised the Overhills water/sewer project was awarded a \$3.1 million loan at 2% to be paid back over twenty years. Mr. Brown stated the engineering report is in the process of being submitted to the State, and the preliminary review has been conducted and comments received. Mr. Brown stated staff met with Spring Lake to come up with a compromise for a bulk rate for sewer capacity and sewer treatment. Mr. Brown stated other funding opportunities such as the Clean Water Management Trust Fund may be an option for additional funding so the project will be affordable and feasible for citizens. Mr. Brown explained the milestone steps have to be continued throughout the loan process in order for the county to stay eligible; however, the county is not locked into the loan. Mr. Martin advised the operating

entity will be the Overhills Water and Sewer District of which the board of commissioners is the governing body.

## 5. UPDATE ON VIPER RADIO P25 COMMUNICATIONS UPGRADES

### BACKGROUND:

Cumberland County communication center must procure and upgrade equipment within the center to become P25 compliant. P25 was developed through a lack of interoperability in large part due to manufacturers of communication equipment not providing compatible equipment and removing competitiveness in the communication market. In an effort to reduce the problems (P25) was created. It began in 1990s with a coordination of Association of Public Safety Communications Officials (APCO) International and the National Association of State Telecommunications Directors (NASTD) and participating federal agencies.

P25 targeted four primary objectives:

- Allow effective, efficient, and reliable intra-agency communications...so organizations can easily implement interoperable and seamless joint communications in both routine and emergency circumstances,
- Ensure competition in system life cycle procurements...so agencies can choose from multiple vendors and products, ultimately saving, money and gaining the freedom to select from the widest range of equipment and features,
- Provide user-friendly equipment...so users can take full advantage of their radios 'lifesaving capabilities on the job-even under adverse conditions – with minimal training,
- Improve radio spectrum efficiency so networks will have enough capacity to handle calls and allow room for growth, even in areas where the spectrum is crowded and it's difficult for agencies to obtain licenses for additional radio frequencies.

Cumberland County communication center is connected to the North Carolina State Voice Interoperability Plan for Emergency Responders (VIPER) system and the center currently operates on an 800 megahertz (MHZ) Smart Zone trunked radio system. The VIPER system network is maintained by the North Carolina Highway Patrol. The connection is specialized as a hardwire connection by use of fiber cable from the communication center to the network site. This provides enhanced communication features for public safety.

The complexity of the communication equipment within the communication center and the viability of P25 for the immediate and long term functionality require development of specifications and operational parameters sufficient for request for proposals. Current staff does not have the expertise or knowledge to manage the highly complex and significant upgrade of communication equipment investment. Therefore, it is vital that we obtain the services of professionals with the technical expertise to complete this critical project on our behalf. It is important to note that State VIPER timelines dictate that this project be fast tracked for completion within those time constraints.

RECOMMENDATION/PROPOSED ACTION:

Authorize the use of professional services to develop the specifications required for our radio console equipment upgrade, and manage the upgrade project.

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Mr. Martin advised this update was placed on the agenda because of the associated communication expenditures/costs which will ultimately come back to the Finance Committee and the full board for approval. Randy Beeman, Emergency Services Director, reviewed the background information as recorded above and stated at its meeting on September 3, 2013, the full board approved a budget revision to hire a consultant to provide expert advice on specifications, technology and functionality related to the Emergency Telephone Services VIPER P25 upgrade that is required to be in place by early 2014. Mr. Beeman stated the project is being fast tracked and rather than the normal process of letting a Request for Qualifications (RFQ) and then a Request for Proposals (RFP), he is asking to move forward with a firm that has been diligently researched in order to keep the county on task, which will take approximately six weeks. Mr. Beeman stated then the RFP's can be let for operation at the end of 2014. Mr. Martin advised the county is looking at a multi-hundred thousand dollar project and it is believed sufficient funds will be available from the E-911 surcharge assessed on telephone bills.

Commissioner Edge asked whether all the municipalities were on board with the digital VIPER system. Mr. Beeman stated all municipalities are on board with the exception of Fayetteville that plans to operate its own 800 megahertz (MHZ) system. Commissioner Edge asked about communication abilities between the county and Fayetteville. Mr. Beeman stated the county will still be able to communicate with Fayetteville. Mr. Martin explained the VIPER system network is maintained by the North Carolina Highway Patrol, which reduces costs, and at one point Fayetteville decided to go with the State VIPER system but later reversed that decision. Additional questions followed.

6. REVIEW OF MONTHLY FINANCIAL REPORT

Howard Abner, Assistant Finance Director, stated the financial report represents the thirteenth period and most of the revenues and expenditures for departments have already been recorded. Mr. Abner stated for obligations, 93.2% has been incurred compared to 94% last year with most department spending 90% and some approaching 100%.

For revenue, Mr. Abner stated all ad valorem taxes are in with 100.82% of budget being collected for a total collection rate of 101.47% which is the same as last year.

Commissioner Edge asked the amount that the license plate agencies were being paid to collect property taxes under the new tax and tag system. Mr. Moorefield stated payment is a certain amount per transaction. Commissioner Edge stated some counties are collecting motor vehicle taxes and issuing license plates from their courthouses so Cumberland County may want to consider this because these counties indicate it pays for itself.

With regard to sales taxes, Mr. Abner stated the report reflects eleven months of collection and next month's report will reflect the final distribution of sales tax through June, 2013. Mr.



Abner stated sales tax equalization from the municipalities will also have been remitted. Mr. Abner stated 97.84% has been collected with several million dollars in sales taxes and equalization dollars yet to be brought in. Mr. Abner stated last year's collection was about 101% which will not be equaled this year due to under-realization in the Mental Health Clinic.

With regard to the Crown Coliseum, operating revenue over operating expenditures shows a deficit of slightly more than \$3 million which is in line with last year. Mr. Abner stated next month's report will reflect the Crown Coliseum's final numbers for the fiscal year.

## 7. OTHER MATTERS OF BUSINESS

Mr. Martin advised the legislature has approved and the governor has signed Senate Bill 73 which requires that the Summer Youth Employment Program be bid by January 1, 2014 and the Dislocated Worker Program be bid by July 1, 2014 through an RFP process. Mr. Martin stated he met with Dr. Keen and chair of the Workforce Development Board and they are pursuing whether they will be able to waive this requirement since they are doing such a good job operating the program. Mr. Martin stated he encouraged FTCC to seek the waiver but if this does not happen, there is a likelihood that the county will have to resume the administration of those workforce development programs in order for Fayetteville Technical Community College (FTCC) to submit a proposal to continue operating these programs. Mr. Martin stated this would involve three to four staff members who work at FTCC.

Mr. Martin stated the Department of Defense (DOD) has suggested that military installations look at service partnerships with municipalities and county governments. Mr. Martin stated there are discussions occurring between the DOD, Ft. Bragg, Fayetteville, and to some extent the county, about partnerships for services they provide at Ft. Bragg. Mr. Martin stated the discussions with the county involve library services and one of the requirements if Ft. Bragg transitions its services to the county library system is that employees in the federal library system cannot be harmed in terms of reductions in benefits or salary. Mr. Martin stated preliminarily it appears as though federal library employees are paid considerably above the level of county library employees, so consideration is being given to how that might be addressed. Mr. Martin stated were Ft. Bragg to go through a Reduction in Force (RIF) with their staff, then the county could bring them in based on the county's current classification and pay system. Mr. Martin also stated if not, then the county will have a major inequity in the rest of its library system which would be problematic moving forward.

There being no further business, the meeting adjourned at 10:47 a.m.