

FEBRUARY 24, 2009

MINUTES OF MECKLENBURG COUNTY BOARD OF COMMISSIONERS

NORTH CAROLINA  
MECKLENBURG COUNTY

The Board of Commissioners of Mecklenburg County, North Carolina, met in Special Budget/Public Policy Session in Conference Center Room CH-14 of the Charlotte-Mecklenburg Government Center located at 600 East Fourth Street at 3:00 p.m. on Tuesday, February 24, 2009.

ATTENDANCE

**Present:** Chairman Jennifer Roberts and Commissioners  
Dumont Clarke, Harold Cogdell, Jr., Neil Cooksey  
George Dunlap, Bill James, Vilma Leake  
and Daniel Murrey  
County Manager Harry L. Jones, Sr.  
Clerk to the Board Janice S. Paige

**Absent:** Commissioner Karen Bentley

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*Commissioner Clarke was absent when the meeting was called to order and until noted in the minutes.*

*The meeting was called to order by Chairman Roberts.*

Chairman Roberts noted the topics scheduled for discussion, 1) Finalize Board Priorities, 2) Briefing on Stormwater Fees, and 3) Charlotte Mecklenburg Schools (CMS) Funding Evaluation Guidelines. She then called on Budget/Management Director Hyong Yi.

**(1) FINALIZE BOARD PRIORITIES**

Prior to addressing the Board's priorities, Director Yi and County Manager Jones gave an update on the current budget situation (FY09). The following was noted:

- The \$57 million gap was down to \$0.00 as a result of requested reductions at the directive of the County Manager, however, the sales tax for December was less than expected, so now there's a gap of \$12 million.
- The Library and Park and Recreation were asked to provide information with respect to the impact of possibly closing facilities one day a week for the remainder of this fiscal year.
- Superintendent Dr. Peter Gorman has been informed that additional budget reductions are needed from CMS, \$2.5 million and that the County Manager plans to place an item on the Board's March 3, 2009 agenda for the Board to consider reducing CMS' budget by another \$2.5 million.
- The Board has the authority to do so under N. C. General Statute 159-13, section nine (9), that states appropriations made to a school administrative unit by a county may not be reduced after the budget ordinance is adopted, unless the board of education of the administrative unit agrees by resolution to a reduction, or unless a general reduction in county expenditures is required because of prevailing economic conditions. Before a board of county commissioners may reduce appropriations to a school administrative unit as part of a general reduction in county expenditures required because of prevailing

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economic conditions, it must do all of the following:

*Hold a public meeting at which the school board is given an opportunity to present information on the impact of the reduction.*

*Take a public vote on the decision to reduce appropriations to a school administrative unit.*

- An additional \$500,000 is needed from CPCC.
- With respect to the County's budget situation, it continues to be a fluid process.
- There's still a \$70 million gap for fiscal year 2010.
- At this point, staff doesn't know the impact of any stimulus funding.
- There are direct consequences if county agencies have to make up the entire gap.

Chairman Roberts asked whether the \$2.5 million from CMS was in addition to what CMS had already been asked to give up. *The response was yes. It's now a total of \$5 million.*

Chairman Roberts said she would like to see information with respect to the impact of service cuts, such as number of jobs lost, number of clients currently being served but because of cuts will no longer be able to receive services.

Commissioner Dunlap asked if staff took into consideration reserves that agencies may have, such as the hospitals. Commissioner Dunlap asked would it make more sense to take more from the hospitals and less from some of the other agencies. *The response was that staff only looked at the contractual portion of county funding to the hospitals for indigent care.*

***Commissioner Clarke entered the meeting.***

Commissioner Dunlap expressed concern for asking for additional cuts, particularly from CMS, when there's the possibility that incoming revenue may get better.

Commissioner Cooksey asked whether the reduction to hospital funding impacts patient care. *The response was no. It was noted that the County was not paying for a "service" but that the funds appropriated to the hospitals go against their "bottom line."*

Commissioner Leake asked about stimulus funding and its impact on CMS. *The response was that it was too early to know at this point.*

Commissioner Leake asked about the status of trying to schedule a meeting with the Board of Education's liaison committee. *The response was that at this time a CMS Education Liaison committee has not been appointed.*

Commissioner Murrey said the two boards as a whole should meet. Further, that two topics of discussion should be the budget priorities of each board and opportunities for partnerships with respect to sharing and/or swapping services.

Commissioner Murrey suggested the two chairs meet, along with the County Manager and Superintendent to determine the best way to bring the two bodies together and an appropriate agenda.

The Clerk to the Board was asked to contact her CMS counterpart regarding a date for a joint meeting.

Commissioner Cogdell commented on the current revenue gap and the recent sales tax revenue figures. He asked was it possible for the gap to increase. *The response was yes.*

Commissioner Cogdell asked what was the Board's role at this point in the process. Does the Board have to sign off on additional cuts for fiscal year 09. *The response was that per language in the budget ordinance, the County Manager is authorized to make budget adjustments, thus the*

*Board's role is limited at this point.*

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Commissioner James asked about the total sales tax gap and what was budgeted versus what's been received thus far and what the trend has been in the past, which was addressed.

Commissioner James asked whether CMS had placed on its agenda the County Manager's request for budget reductions. *The response was that it was unknown but the Superintendent is aware of the County Manager's plan to place this matter on the Board's March 3, 2009 agenda.*

Commissioner James asked could the hearing with respect to budget reductions for CMS be on the maximum amount the County Manager thinks the County will need and give the County Manager the authority to decide how much is needed, the maximum amount or a portion of it.

It was clarified that the Board would not be holding a public hearing with respect to this matter. The requirement is that the action be taken at a public meeting.

Commissioner James said he feels the amount needs to be \$15 million. He suggested putting it at \$15 million and to give the County Manager the authority to decide how much is needed.

Commissioner James said he prefers having this discussion only once between now and June to avoid having to continue to have hearings if the initial amount is not enough.

County Manager Jones said he would not place \$15 million on the March 3 agenda because he's only discussed \$5 million with the Superintendent.

Commissioner Murrey expressed concern for the gap. He said he'd like to see a trend line to see if the gap is getting larger or smaller per month. *The response was that staff can prepare a trend line but to keep in mind that it's subject to change.*

## **(2) STORMWATER FEES**

Dave Canaan, Director of Storm Water Management addressed Charlotte-Mecklenburg Storm Water Services. The following was covered:

- How Storm Water Services is managed
- What Storm Water Services does
- Where does the funding come from
- Why is there a proposed change
- What's next

*A copy of the presentation is on file with the Clerk to the Board.*

Comments

Chairman Roberts asked would the maps be re-done. *The response was yes.*

Commissioner Clarke asked about stimulus funding. *The response was about \$6-\$8 million of projects were submitted to the Division of Water Quality and staff has been in discussions with the appropriate parties on how to come up with a county strategic to address the stimulus package.*

Commissioner Dunlap asked if revenues collected were also used to clean creeks. *The response was yes.*

Commissioner Cogdell asked for clarification with respect to minor and major systems, which was addressed. *It was noted that if the funnel area that drains to the point is greater than 1 square mile, it's considered a major storm water system according to FEMA regulations.*

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Chairman Roberts asked what was the advantage of having a city and county storm water services division versus a consolidated department. *The response was that if it's consolidated for economic reasons, there's really no major savings, that you may be able to eliminate a director's position and/or perhaps a few supervisors. Further, that there's really no duplication of services because you still have two systems to manage, a minor and a major.*

**(1) FINALIZE BOARD PRIORITIES**

Director Yi shared the Board's Priorities.

*A list of the priorities is on file with the Clerk to the Board.*

Motion was made by Commissioner Cooksey, seconded by Commissioner Dunlap, to adopt the Board's Priorities as presented and decided upon at the Board's Strategic Planning Conference.

General discussion took place regarding the list of priorities, mainly clarification on what was covered in some of the various categories; as well as, changes in the priority levels for various categories compared to last fiscal year.

Commissioner Murrey suggested CPCC be moved up to Priority Level 2 and let Domestic Violence Protection & Prevention remain as it was last year at Priority Level 3.

Substitute motion was made by Commissioner Murrey, seconded by Commission Leake and failed 5-3 with Commissioners Clarke, Cooksey, Dunlap, Leake, and Roberts voting no and Commissioners Cogdell, James, and Murrey voting yes, to place CPCC in Priority Level 2 and Domestic Violence Protection & Prevention in Level 3.

Prior to the vote on the substitute motion:

Commissioner Dunlap asked that the Board not start changing what the Board previously decided at its Strategic Planning Conference because if you open it up, there will be even more changes.

Commissioner Dunlap said it needs to be kept in mind that the current Board is working under a different set of circumstances versus the previous board.

Chairman Roberts asked was it not correct that anything in Priority Levels 1, 2, & 3 are a major focus of staff in putting the budget recommendation together. *The response was yes to a certain degree because the cut off is somewhere between 3 and 4.*

Chairman Roberts said the list is just a guideline.

The vote was then taken on the original motion by Commissioner Cooksey, seconded by Commissioner Dunlap and unanimously carried with Commissioners Clarke, Cogdell, Cooksey, Dunlap, Leake, Murrey, and Roberts voting yes, to adopt the Board's Priorities as presented and decided upon at the Board's Strategic Planning Conference.

**(3) CMS GUIDELINES**

Director Yi addressed CMS Funding Evaluation Guidelines and the initial early FY10 guesstimate. The following was covered:

The purpose of the guidelines  
Methodology  
FY2010 guesstimate

*A copy of the presentation is on file with the Clerk to the Board.*

Comments

Commissioner Dunlap noted that there were no federal dollars mentioned in the formula. *The response was that it was a conscious decision of staff not to include federal dollars, because it's hard to predict what may be received and also because often it can only be used for specific categories.*

Chairman Roberts said the guidelines are used as a starting point.

Commissioner Dunlap said he feels the federal dollars are relevant and that historical data could be used for estimating the amount to be received.

Commissioner Dunlap asked about capital dollars. *The response was that those dollars would not be included in this model because this is only for the operating budget.*

Commissioner Cogdell asked was there discussion of setting a percentage of the budget for operating and letting the capital remain separate.

Commissioner Clarke said it has been discussed by previous boards.

Chairman Roberts said having a set percentage doesn't give you flexibility if needed.

Commissioner Leake said the following need to be factored in: stimulus funding, the fact that student growth is decreasing rather than increasing; the early childhood programs that CMS pays for, such as the Pre-K program; and state and federal grants.

Commissioner Leake said the results aren't measuring up to the amount of funds being allocated to CMS.

Commissioner Cooksey said it appears assumptions are being made that do not reflect reality. 1) Money is the solution to CMS' problems. 2) There are limited ways to reward CMS for performance. 3) There's no mechanism to get the numbers right with respect to the number of students.

Director Yi said the relationship between the Board and CMS is that the BOCC provides funding and the Board of Education sets policy for CMS and should hold the school system accountable. He said the BOCC is not to be the "accountability organ" for CMS.

Commissioner Cooksey suggested money to CMS be placed in restricted contingency and if the numbers are less, then the money isn't appropriated.

Commissioner Cooksey said where is it that the County has to fill the gap for CMS, if the state and federal government doesn't live up to its responsibilities.

Commissioner Cooksey said he doesn't think it's fair to the County or the taxpayers.

Commissioner Murrey said the guidelines probably need to be re-visited in light of current economic times.

Commissioner Murrey said it may be time to go back to zero-based budgeting as a new way of looking at this.

Director Yi said it may be more appropriate for CMS to do a zero-based budget rather than the County.

It was noted that staff has asked CMS to prioritize and take a similar approach like the County

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does.

Chairman Roberts said there appears to be a desire to revisit the CMS Funding Evaluation Guidelines.

Commissioner Leake said Title I and Title II money needs to be factored in.

Commissioner Cogdell said he wants to come up with some type of process for measuring performance. Further, that he wants to see accountability on the part of CMS with respect to closing the student achievement gap.

Commissioner Cogdell said “accountability” has to be a part of the guidelines.

***Commissioner Murrey left the meeting and was absent for the remainder of the meeting.***

Commissioner James said all of the CMS money can be placed in restricted contingency and designated for certain purposes and that performance reports can be required.

It was the consensus that the CMS Funding Evaluation Guidelines be sent to the Effective and Efficient Government Committee.

This concluded the discussion.

*Note: The above is not inclusive of every comment but is a summary.*

**ADJOURNMENT**

Motion was made by Commissioner Leake, seconded by Commissioner Cooksey and carried 7-0 with Commissioners Clarke, Cogdell, Cooksey, Dunlap, Leake, James, and Roberts voting yes, that there being no further business to come before the Board the meeting be adjourned at 5:30 p.m.

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Janice S. Paige, Clerk

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Jennifer Roberts, Chairman