

FEBRUARY 9, 2010

MINUTES OF MECKLENBURG COUNTY BOARD OF COMMISSIONERS

**NORTH CAROLINA
MECKLENBURG COUNTY**

The Board of Commissioners of Mecklenburg County, North Carolina, met in Budget/Public Policy Session in Conference Center Room 267 of the Charlotte-Mecklenburg Government Center located at 600 East Fourth Street at 3:00 p.m. on Tuesday, February 9, 2010.

ATTENDANCE

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

Absent: Commissioners Neil Cooksey and Bill James

-INFORMAL SESSION-

The meeting was called to order by Chairman Roberts, after which the matters below were addressed.

(1) FY11-13 STRATEGIC BUSINESS PLANNING –EFFECTIVE AND EFFICIENT GOVERNMENT

Planning and Evaluation Director Leslie Johnson addressed the FY11-13 Strategic Business Planning for the Effective and Efficient Government Focus Area. The following was covered:

2015 Performance Goals

- Bond Rating
- Employee Access to Information
- Employee Motivation & Satisfaction
- Employee Technology Resources
- Employees per Capita
- Employee Knowledge, Skills & Abilities
- Public Awareness
- Customer Satisfaction
- Tax Collection Rate
- Employee Satisfaction Parity
- Resignation Rate
- Percentage at Net County Funding
- Advisory Committee Diversity
- Stakeholder Satisfaction
- Percentage Property Tax Revenue
- Property Tax to Household Income
- Citizen Satisfaction: Input Opportunities
- Customer Satisfaction Parity
- Workforce Representation
- Competitiveness of Tax Rate to Businesses

FY09 Results and Desired Result & Corporate Strategies
FY09 Results Comments & Recommendations

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

Comments

Commissioner Dunlap with respect to Percentage at Net County Funding asked were the two departments whose expenses slightly exceeded the reduced budgets, Department of Social Services agencies. *The response was no. Further, that one department was very generous in what they gave back in reductions, more than some of the other departments and it ended up being a little more difficult after that occurred; however, neither department was grossly over budget.*

Commissioner Dunlap with respect to Employee Satisfaction Parity Results asked was it known why Blacks had a different opinion or a less favorable opinion about the following categories: flexibility to balance work and personal life, supervisor treats me fairly, supervisor encourages an open exchange of ideas, supervisor encourages creative thinking, supervisor is trustworthy, co-workers are trustworthy. *The response was that additional analysis is done in departments where this may show up. Meetings are held with the department and their respective leadership and employees.*

Commissioner Dunlap with respect to Advisory Committee Diversity asked why it was yellow. *It was explained that it was yellow because although the Black/African American goal was met, the "Other" racial/ethnic population goal of 13% has not been met.*

Commissioner Dunlap asked was it possible to separate the two because the yellow light makes it appear that progress has not been made, when the reality is that progress has been made. *The response was perhaps it should be green/yellow.*

Commissioner Dunlap with respect to Percentage Property Tax Revenue asked was the current goal realistic. *The response was that's something staff wants direction on. Staff recommends revising/setting a new target that is stretched, yet attainable given economic realities.*

Commissioner Bentley with respect to Employee Motivation and Satisfaction asked about the sample size and percentage of responses. *The response was 61% with over 3,000 employees responding.*

Commissioner Bentley with respect to Percentage Property Tax Revenue asked who did staff benchmark against. *It was explained that the target was not benchmarked. It was set based on where the County was back in 2001/2002 and the intent of the goal was to be less dependent upon the property tax and to seek opportunities to leverage partnerships, to get grants and other things like that.*

County Manager Jones said the County is likely to see an increase in that percentage because the other revenue sources the County has relied upon were decreasing.

Commissioner Bentley asked about Customer Satisfaction Parity Results and staff's response when the results are below expectations, which was addressed.

Commissioner Cogdell with respect to Property Tax to Household Income asked could the data be broken down based on percentage of property tax and then divided into a percentage based on categories of household income, for example, if you looked at a household income of \$25,000 - \$50,000 versus \$50,000 - \$75,000 versus \$75,000 - \$100,000. Commissioner Cogdell asked whether staff had the ability to create a data chart that would provide that type of insight. *Director Johnson explained the difficulty in trying to obtain all of the necessary data to achieve that type of breakdown. It was noted that staff recommends revising the calculation methodology*

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to be based on the effective tax rate (thereby adjusting for last revaluation) and/or to report the full tax burden by including the tax rates for cities and towns.

Commissioner Cogdell with respect to Competitiveness of Tax Rate to Businesses asked why staff recommends this measure be deleted which was addressed. *It was noted that staff has researched extensively potential options for operationalizing this measure. However, it does not appear there is an existing methodology that can be replicated. Staff said it welcomed any ideas Board members may have with respect to this goal.*

Commissioner Leake asked about the Citizen Satisfaction: Input Opportunities results which was addressed.

Commissioner Murrey with respect to Advisory Committee Diversity asked what could be done to increase the “Other” percentage. *General Manager John McGillicuddy noted efforts made on the department level. He said from a larger perspective that unlike in some of the other areas listed, there weren’t any specific strategies and accountabilities in place and dedicated resources to do this function. He said the Clerk advertises and the Board makes appointments and encourages persons to apply at the meetings. He said more could be done. General Manager McGillicuddy said recommendations would be forthcoming with respect to citizen engagement overall.*

Commissioner Murrey said it was incumbent upon the Board to recognize that this was a benchmark that’s not being met. He said the Board should be more attentive of this when making appointments.

Commissioner Murrey with respect to Percentage of Property Tax Revenue said it may not be so important that the County looks at its ratios of property tax versus sales tax, as much as, the next measure of Property Tax to Household Income that’s being devoted to property or sales tax.

Commissioner Murrey said he would consider expanding that or having a second measure for sales or maybe combining property and sales and saying what percentage of household income is being extracted to the County. He said seeing that percentage would probably be more indicative. Commissioner Murrey said he recognizes that it’s probably good to separate them out because you know property tax is Mecklenburg County residents and with sales tax it’s mixed.

Commissioner Murrey with respect to Employee Satisfaction and Customer Satisfaction Parity Results asked if staff checked statistical significance for any of the differences. *The response was that a disparity analysis is typically ran and that typically what’s found is that there’s generally less significance with regards to disparity in the overall results.*

Commissioner Murrey asked about Competitiveness of Tax Rate to Businesses and what the Chamber does, which was addressed. *General Manager McGillicuddy said if the measure was instead something like Competitiveness to Businesses then staff would probably be able to figure out how to do it, but when it’s tied to the tax rate, it’s more difficult to figure out.*

Commissioner Murrey suggested perhaps the measure should be changed to just competitiveness.

Commissioner Cogdell left the meeting and was absent for the remainder of the meeting.

Commissioner Clarke with respect to Percentage Property Tax Revenue recommended a goal be set of stabilizing the trend and then reversing it, “stabilizing/reverse the trend” rather than trying to pick a specific percentage; because the County doesn’t have control over intergovernmental revenues, interest rates, the sales tax rate or control over what’s subject to the sales tax rate.

Commissioner Clarke with respect to Citizen Satisfaction: Input Opportunities said he felt the opportunities for involvement were there and that people often just don’t take the time to become involved.

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Commissioner Clarke asked that in the future when there are nominees for advisory committees that staff find a way to highlight the names that would increase the percentage of others, so that when the Board is looking to make appointments it would be reminded of the need to increase the "Other" percentage.

Commissioner Clarke asked for clarification with respect to data shown for Customer Satisfaction and Customer Satisfaction Parity Results, which was explained.

Commissioner Clarke with respect to data shown for Customer Satisfaction and Customer Satisfaction Parity Results suggested footnotes be included which would indicate that if you took out the results of a particular department the results would be "x."

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

(2) BUDGET UPDATE

Budget/Management Director Hyong Yi gave a Budget Update. He was assisted by Finance Director Dena Diorio. The following was covered:

- Projected Fund Balance Draw Down
- Components of Fund Balance
- Choices and Consequences
- Actions Taken By the County Manager
- Whitewater Debt Restructuring

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

Comments

Commissioner Clarke asked what would the fund balance be at the end of the current fiscal year and how much would be over the eight percent if you drew down the full \$70.7 million from fund balance to balance this year's budget. *Finance Director Diorio said fund balance would drop to \$288 million from \$359 million. Finance Director Diorio said it should be understood, however, not all of that fund balance was available to spend.*

Finance Director Diorio said as of June 30th the amount that would be available to appropriate out of the \$288 million was \$85.3 million. Finance Director Diorio said anything that's drawn down above and beyond what was planned comes off of the \$85.3 million.

Commissioner Clarke asked was it correct that half of the \$85.3 million was to go to pay-go. *The response was yes, according to Board policy.*

Commissioner Clarke asked was it correct that traditionally the County has had a fund balance that was more than the eight percent. *The response was yes.*

Finance Director Diorio said fiscal year 2009 was the first year the County had to draw down fund balance since 2003. She said the concern staff had was that the continued draw down of fund balance would basically eliminate all of the County's available reserves. Thus, staff was trying to mitigate that as much as possible.

Commissioner Dunlap asked for further clarification about fund balance which was addressed.

Commissioner Clarke left the meeting and was absent for the remainder of the meeting.

Commissioner Murrey suggested having a fund balance primer at the Strategic Planning Conference.

Commissioner Dunlap asked for clarification on the County Manager's actions with respect to

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directing Department/Agency Directors to identify 5% in reductions and asked was it across the board. *It was explained that the 5% may not be across the board.*

Commissioner Bentley said she would like to see all funding sources for departments, Charlotte-Mecklenburg Schools, and Central Piedmont Community College.

Commissioner Murrey with respect to fund balance said he would like to know what would be the consequences of drawing down the \$70.7 million in fund balance. *Staff said it would provide the Board with a response at the next budget/public policy workshop.*

Chairman Roberts said what was shared regarding Whitewater was good news.

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

ADJOURNMENT

Motion was made by Commissioner Murrey, seconded by Commissioner Leake and carried 5-0 with Commissioners Bentley, Dunlap, Leake, Murrey and Roberts voting yes, that there being no further business to come before the Board that the meeting be adjourned at 5:07 p.m.

Janice S. Paige, Clerk

Jennifer Roberts, Chairman