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**MINUTES OF MECKLENBURG COUNTY, NORTH CAROLINA
BOARD OF COUNTY COMMISSIONERS**

The Board of Commissioners of Mecklenburg County, North Carolina, met in a Special Budget Workshop Session at the Valerie Woodard Conference Center, 3205 Freedom Drive, Suite 4009, Charlotte, NC. on Tuesday, May 28, 2019 at 8:00 a.m.

ATTENDANCE

Present: Chair George Dunlap and Commissioners Patricia “Pat” Cotham, Trevor M. Fuller, Susan B. Harden, Mark Jerrell, Vilma D. Leake, Elaine Powell, Susan Rodriguez-McDowell, and Ella B. Scarborough
County Manager Dena R. Diorio
County Attorney Tyrone C. Wade
Clerk to the Board Janice S. Paige

Absent: None

FY2019 - 2020 BUDGET DELIBERATION

The meeting was called to order by Chair Dunlap at 9:00 a.m., which was followed by introductions and the Pledge of Allegiance to the flag.

Note: Prior to this the Board had breakfast.

Note: The purpose of the meeting was for the Board to begin its deliberation on the County Manager’s FY19-20 Recommended Budget and to take straw votes.

Chair Dunlap turned the meeting over to County Manager Diorio, who turned it over to Budget Director Michael Bryant.

Budget Director Bryant outlined the format for proceeding and the agenda topics to be discussed. He then called on Finance Director Sarah Lyberg to share the results of the land bond study.

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Land Bond Study

The following topics were covered:

- Land Bonds
- Land Bonds Costs/Challenges
- Land Banking-When is it Effective
- Average Land Value Increases
- Land Banking: Current State & Opportunities
- Capital Improvement Plan Process

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

Comments

Commissioner Fuller asked was it correct that staff's assessment, per the study, was that land banking should be done as a part of the capital improvement process and not as a separate bond issue matter. *The response was yes.*

Commissioner Fuller asked for clarity on tax losses referenced in the report, which was explained.

Commissioner Fuller asked about the availability of land, per the map included in the report, which was addressed.

Commissioner Harden expressed concern regarding the development community and its ability to move quickly versus the slowness and cumbersomeness of government. She said the County's plans were good, but the time it takes to fully execute those plans was too long.

Commissioner Harden questioned what other options were available for the County to improve the land purchase process.

Commissioner Harden said a review of the current Capital Improvement Plan was needed, especially with there being new members on the Board.

Commissioner Powell asked for clarity on the stricter rules referenced in the report. *It was explained that unlike in the past, in order to have a land bond referendum, a wholistic plan was now required to be in place in advance; and that currently the County didn't have the needed specifics for the type of plan required.*

Commissioner Powell said the Park and Recreation Master Plan had recommendations for land acquisition but had not been fully acted upon.

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Commissioner Powell echoed Commissioner Harden's comments regarding the need to review the current Capital Improvement Plan.

Chair Dunlap asked if an analysis had been done regarding the impact of taking property off of the tax rolls by purchasing them, prior to the County having a specific plan for the property.

Finance Director Lyberg said staff would look for other mechanisms to do land banking other than through a land bond.

Commissioner Leake commented on the map included in the report and those areas where there was less annual growth versus more annual growth.

Commissioner Leake questioned why more land purchases weren't being made in the low growth areas, where the land cost was cheaper, specifically on the westside.

Technical Adjustments

Budget Director Bryant reviewed technical adjustments to the County Manager's Recommended Budget.

Hope Haven

It was noted that funds for Hope Haven would be placed in restricted contingency, in light of recent financial constraints, a projected \$1.2 million deficit in their FY20 budget, and the resignation of its CEO.

The County Manager was recommending that the funds be placed in restricted contingency and released contingent upon Hope Haven providing the County a detailed recovery plan for moving forward and to demonstrate that they have the capacity to execute the plan; as well as, have a process underway for obtaining a new CEO.

Comments

Commissioner Fuller asked was it known what caused Hope Haven's \$1.2 million deficit. *The response was no specifics were known at this time, only that it was not a matter of fraud or misappropriation of funds.*

Commissioner Fuller said he would like to know the reason for the deficit.

Commissioner Leake asked how many years the County had supported Hope Haven. *It was noted that staff would get that information.*

Commissioner Leake said she'd also like to get a copy of Hope Haven's budget for the last two

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years.

Commonwealth Charlotte

It was noted that the agency did not meet the General Accepted Accounting Principles (GAAP) as required, per County Finance's review of their audit. In light of this, funding was being denied, even though it was originally recommended.

Comments

Commissioner Harden asked had Commonwealth Charlotte been notified of the denial and the reason why. *The response was not yet, because County Finance's determination was made late last week.*

Commissioner Harden asked was there an appeals process. *The response was no.*

Chair Dunlap asked about their ability to reapply, which was addressed.

Commissioner Fuller asked why the status of their audit was not known before being recommended for funding. *The response was that it was a timing issue.*

Director Bryant said the requirements and deadlines were made clear to all grant applicants.

Commissioner Fuller expressed concern that Commonwealth Charlotte was not informed in advance of the meeting, rather than finding out in this manner. He asked that staff do a better job going forward, with respect to notifying grant recipients when a change occurred.

Commissioner Leake echoed Director Bryant's comments regarding the County's process and staff's outreach to grant applicants.

Commissioner Jerrell suggested the process be reviewed to avoid this type of occurrence going forward.

Director Bryant said staff would take all comments into consideration and review the schedules associated with the process.

Commissioner Scarborough asked if grant applicants received a checklist outlining the requirements. *The response was yes.*

Director Bryant said in light of Commonwealth Charlotte's disqualification, \$50,000 was now available for straw vote consideration.

Director Bryant reviewed the follow-up questions responses.

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A copy of the Q & A response is on file with the Clerk to the Board.

STRAW VOTES

Budget Director Bryant reviewed the rules of engagement for Straw Voting.

It was noted that Straw Vote motions did not require a second and could be made by any Commissioner, including the Chairman.

A copy of the FY2019-20 BOCC Straw-Vote Spreadsheet is on file with the Clerk to the Board.

Chair Dunlap presented the following and asked was there a motion:

To approve the County Manager's FY2019-2020 Recommended Budget with the following changes:

- Eliminate fund balance appropriation to the Historic West End totaling \$125,000
- Appropriate fund balance in the amount of \$125,000 for the Shiloam School
- Appropriate fund balance in the amount of \$2,000,000 for land acquisition
- Increase Park Operations by \$1,000,000
- Increase Recreation Programming by \$19,000 in Park & Recreation (Sr Program at Congregate Meal sites)
- Increase Recreation Programming by \$15,000 in Park & Recreation (Senior Trips)
- Increase Recreation Programming by \$75,000 in Park & Recreation (park summer camps)
- Increase property tax revenue by \$102,470
- Reduce Senior Administration, County Manager's Office by \$91,483 (Eliminate (1) Sr Asst to County Manager)
- Reduce IT Security Services by \$144,171 in ITS (Eliminates a Tech Analyst I and a Tech Analyst II)
- Reduce Food & Facilities Sanitation by \$80,138 in Public Health (Eliminates (1) Env Health Specialist)
- Reduce Public Health Clinics by \$42,703 in Public Health (Eliminates (1) Medical Assistant)
- Reduce Property Tax Collections by \$40,401 in Tax Collector (Eliminates (1) Deputy Tax Collector)
- Reduce Human Resources Management by \$42,271 in Human Resources (Eliminates (1) HR Consultant)

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- Reduce Real Estate Management by \$55,363 in Asset & Facility Management (Eliminates (1) RE Coord)
- Reduce Employee Compensation by \$385,000 in Non-Departmental (Reduces salary increases)
- Reduce Unrestricted Contingency by \$125,000

Motion was made by Commissioner Leake, seconded by Commissioner Rodriguez-McDowell, to approve the motion as outlined by Chair Dunlap.

Comments

Commissioner Scarborough asked would any of these changes have an adverse effect on the residents of Mecklenburg County. *Chair Dunlap said what was being proposed would enhance services.*

Commissioner Cotham spoke in opposition to the proposed motion. Commissioner Cotham said her opposition stemmed from what she felt was a lack of transparency on the Board's part. She said she felt the proposed changes had been discussed and agreed upon without the "benefit of the public or the media knowing about it."

Commissioner Cotham said she informed Chair Dunlap and fellow Board members of her disappointment in the process that was being followed.

Commissioner Cotham said there were things in the County Manager's Recommended Budget she liked and things that were very thoughtful in many ways. She said she appreciated staff's work on the budget, but because she felt the Board had not been transparent throughout the entire process, she would not support the motion.

Chair Dunlap responded to Commissioner Cotham's comments as summarized below.

Chair Dunlap said the Board's actions had been very transparent, dating back to the Board's retreat in January, which he said Commissioner Cotham did not attend.

Chair Dunlap said budget discussions had taken place at several Budget/Public Policy meetings, many of which he said Commissioner Cotham either arrived late or left early.

Chair Dunlap acknowledged that dialogue had taken place amongst Commissioners, which he said was typical, in order to reach agreement.

Chair Dunlap said nothing illegal or inappropriate was done. He said all emails sent were available to the media. He said Commissioner Cotham didn't like the process and chose not to

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participate.

Chair Dunlap said a lot of public engagement had taken place regarding the proposed budget, including, discussions that individual Commissioners had with their constituents at town hall meetings and other settings.

Chair Dunlap asked County Attorney Wade to comment on Commissioner Cotham's assessment that something "underhanded" had taken place.

County Attorney Wade said the question posed to him was whether email correspondences constituted an official meeting. He said statutorily for something to be constituted as an official meeting there must be a majority of the body present; the body must convene for the purpose of conducting a hearing or to participate in deliberations or vote upon or transact county business.

County Attorney Wade said per what he'd heard today, there seemed to have been conversations between the Chair and individual Commissioners and unless there's a majority, the Board cannot take action unless there's a majority. Thus, conversation standing alone would not constitute an official meeting.

Commissioner Cotham thanked County Attorney Wade for his opinion, but noted that she had checked with other attorneys regarding this issue.

Commissioner Cotham said in response to Chair Dunlap's comments that her intent today was to focus on the process and not to get into the exchanges between she and Chair Dunlap. She said for her it was about being transparent from the beginning to the end.

Commissioner Cotham acknowledged speaking with Chair Dunlap regarding the proposed budget and that she indicated to him that she was not happy about a proposed tax increase.

Commissioner Fuller asked Chair Dunlap to explain the process that was followed and why.

Chair Dunlap said the purpose was to gain consensus. He said he had dialogue with fellow Board members on various occasions regarding their thoughts on the proposed budget. He said per those exchanges, a list was put together and provided to the County Manager for her review.

Chair Dunlap said the County Manager was asked for input as to where cuts could be made to accomplish the requests and address the concerns of Board members.

Chair Dunlap said he asked the County Manager to determine where cuts could be made because she was in a better position to do so than individual Commissioners.

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Chair Dunlap said that input lead to the motion before the Board.

Commissioner Fuller acknowledged that it was a different process but that he was okay with the process used.

Commissioner Powell echoed Chair Dunlap's sentiments that the process had been very transparent.

Commissioner Rodriguez-McDowell, likewise said she felt the process had been very transparent. She thanked the budget staff for their work and taking time with her as a new Commissioner to answer questions. She said she thought it had been a collaborative process. She thanked Chair Dunlap for his leadership.

Commissioner Leake said nothing had been done "undercover." She complimented Chair Dunlap on his leadership throughout the budget process and overall leadership.

Commissioner Jerrell said he was a supporter of process improvements. He said, "collaboration was not a lack of transparency." He applauded Chair Dunlap for his leadership and the work of all of his "colleagues."

Commissioner Jerrell complimented the County Manager and her team for their work. He said no one received everything they wanted and that the process was "transparent and fair."

Commissioner Powell asked about the elimination of positions in Asset and Facility Management (AFM) and Information Technology (IT). *It was noted that the AFM position was not associated with acquisition of greenways.*

Information Technology Director Keith Gregg addressed the elimination of a Tech Analyst I and Tech Analyst II position.

Budget Director Bryant reviewed the proposed changes. It was noted the proposed changes would not have an impact on the County Manager's Recommended Budget tax rate.

Director Bryant also noted for the Board's awareness that the Commonwealth Charlotte audit was received on May 16th which was after the deadline of May 10th, which contributed to the delay.

Commissioner Leake asked Director Bryant to review those agencies where funding was being provided to support education, that was in addition to funding provided to Charlotte Mecklenburg Schools (CMS).

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Commissioner Jerrell asked Director Bryant to review proposed funding for Park and Recreation.

Commissioner Powell said although no additional funding was provided to CMS above what was recommended by the County Manager, she asked that CMS look into the importance of instruction enhancement and support of IB and Advance Placement teachers at West Charlotte High School and others where parents had expressed concern. She also ask CMS to increase the work hours for teacher assistants to 40 hours a week.

Commissioner Powell noted the receipt of emails from constituents regarding school matters, which was why she was highlighting these concerns.

Commissioner Powell noted further that once the funding allocation was provided from the County to Charlotte Mecklenburg Schools, it was CMS' decision as to how the funds would be allocated and spent. She encouraged the public to reach out, as well, to members of the Board of Education and the Superintendent regarding their concerns.

Chair Dunlap reminded the Board that the official vote on the FY19-20 Budget would take place at the June 4th meeting, thus there would still be an opportunity to express any concerns regarding the budget.

Commissioner Cotham asked that it be noted in the record that if the proposed budget was approved, she would not accept the 5.5 % salary increase for employees and Commissioners.

The vote was then taken on the motion as noted below:

Motion was made by Commissioner Leake, seconded by Commissioner Rodriguez-McDowell and carried 8-1 with Commissioners Dunlap, Fuller, Harden, Jerrell, Leake, Powell, Rodriguez-McDowell, and Scarborough voting yes, and Commissioner Cotham voting no, to approve the County Manager's FY2019-2020 Recommended Budget with the following changes:

- Eliminate fund balance appropriation to the Historic West End totaling \$125,000
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BUDGET ORDINANCE DIRECTIVE

Motion was made by Commissioner Fuller, seconded by Commissioner Leake and carried 8-1 with Commissioners Dunlap, Fuller, Harden, Jerrell, Leake, Powell, Rodriguez-McDowell, and Scarborough voting yes, and Commissioner Cotham voting no, to direct staff to prepare a FY 2019-2020 Budget Ordinance based on the County Manager's FY 2019-2020 Recommended Budget as amended by actions taken by the Board at today's meeting on May 28, 2019, for a budget total of \$1,898,618,653.00 and a County tax rate of 61.69 cents.

ADJOURNMENT

There being no further business to come before the Board, Chair Dunlap declared the meeting adjourned at 10:47 a.m.

Janice S. Paige, Clerk

George Dunlap, Chair