

MINUTES OF MECKLENBURG COUNTY BOARD OF COMMISSIONERS

APRIL 24, 2007

3:00 P.M.

**NORTH CAROLINA
MECKLENBURG COUNTY**

The Board of Commissioners of Mecklenburg County, North Carolina, met in Special 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, April 24, 2007.

ATTENDANCE

Present: Chairman Jennifer Roberts and Commissioners
J. Daniel Bishop, Dumont Clarke
H. Parks Helms, Norman A. Mitchell, Sr., and
Dan Ramirez
General Manager John McGillicuddy
Clerk to the Board Janice S. Paige

Absent: Commissioners Karen Bentley, Bill James, and Valerie C. Woodard

The meeting was called to order by Chairman Roberts.

(1) STRATEGIC BUSINESS PLAN

Brian Cox, Enterprise Manager, distributed as information a draft of the FY2008-2010 Strategic Business Plan. It was noted that no action was being asked of the Board at this time. The Plan will be presented in detail at the May 1, 2007 meeting.

Note: The 2008-2010 Strategic Business Plan comprises the following:

- Board’s reaffirmation of the 2015 Vision
- Presentation of the updated Community & Corporate Scorecard
- The Board’s areas of emphasis for this iteration of the plan
- Focus Area strategic impact issues
- Strategies, program categories, and services
- Current performance and trends

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

(2) OTHER POST EMPLOYMENT BENEFITS

Dena Dioria, Finance Director addressed Other Post Employment Benefits (OPEB).

Note: GASB 45 requires accounting for and reporting of the liability related to benefits provided to retirees by State and local governments. For Mecklenburg County the effective date is FY07-08. Liability is not new, but calculating and disclosing the amount of the liability is new.

The presentation consisted of the following:

- An Overview of Other Post Employment Benefits
- Valuation & Financial Results
- Funding Options
- Credit Rating Implications
- Legislative Initiatives
- Conclusions

- The Board will have to consider funding options as part of the budget deliberations.
- Staff can request the actuary to provide different funding options if the Board would like other options to consider.

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

Comments

Commissioner Helms asked was the only way to prevent having to show a balance sheet liability would be to fully fund OPEB at about \$10 million annually. *The response was yes.*

Commissioner Helms asked would the difference be made up by the current pay-go portion and would that accelerate it. *The response was yes, that the \$10 million was the incremental portion of the annual required contribution that the County would need to fund to take care of the normal cost, which are the benefits accrued by employees currently and the portion of the unfunded liability as amortized over thirty years. The pay-go portion is what the County currently pays that increases every year as the cost benefits increase.*

Commissioner Helms ask would one of the major risk of not doing this be the reaction of the rating agencies. *The response was yes, that's probably correct because the rating agencies will be looking at this and for AAA credits the risk is even greater because there are certain expectations for AAA communities that have to be maintained in order to keep that rating.*

Commissioner Clarke asked for clarification on a fully funded plan, which was addressed.

Commissioner Clarke asked was there a way to phase in a fully funded plan. *The response was that there is a way to phase in the annual required contribution (ARC) but the ARC would be larger because you're not fully funding it in the first year and eventually the County would get to a fully funded ARC but it'll be larger because the accrued liability does not go away.*

It was noted that what was being shared with the Board was a "snap shot" based on what staff currently knows. This matter would be evaluated annually.

Commissioner Clarke asked would the fully funded amount have an impact on the balance sheet liability and *the response was no.*

Commissioner Bishop asked about the balance sheet liability. *It was explained that the only thing reflected on the balance sheet is the difference between the ARC and what is funded and that if you fully fund the ARC there's no liability on your balance sheet. Further, that the liability will be disclosed probably on the note, but not the balance sheet.*

General Manager McGillicuddy noted that this would have an impact on the FY07-08 budget.

Chairman Roberts asked was this a 30 year liability and when does it get fully funded. *The response was that it's a 30 year amortization and that it changes because as new employees come on board they also start earning benefits and that normal cost goes towards your liability, so it "rolls," because every year there will be employees coming on board and leaving the County.*

Chairman Roberts noted that this means the need for the \$10 million will be there forever. *The response was that the only way to manage it would be to make a decision as to whether or not to continue offering retiree medical benefits or close the program out and say that it's only applicable to a certain group of employees from here on out. It was noted that a lot of private companies have done this because they did not want to have to fund the liability.*

Chairman Roberts said she doesn't think that's a responsible way to manage employees and their future needs. *Finance Director Diorio said it could also become a recruitment issue for the County, if persons are aware that this type of benefit is not offered.*

Chairman Roberts thanked Director Diorio for her presentation.

Note: None of the above is inclusive of every comment or question, but is a summary.

(3) REPORT STATUS OF VETERANS IN MECKLENBURG COUNTY

General Manager Janice Jackson introduced Robert Weeks, Director of Veteran Services and John B. Ficker, Chairman of the Status of Veterans Initiative Steering Committee to present the Status of Veterans In Mecklenburg County Report.

It was noted that the purpose of the study was to

- Evaluate current service delivery methods
- Identify gaps in services
- Provide recommendations for closing or eliminating service gaps; and
- Provide recommendations for outreach plan to veterans in Mecklenburg County.

Commissioner Bishop left the meeting during the presentation of the recommendations for closing or eliminating gaps in services and was absent for the remainder of the meeting.

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

Comments

Commissioner Ramirez asked for clarification regarding an increase in staffing for Veterans Services, which was addressed.

Commissioner Mitchell complimented the Steering Committee and staff for its work. Commissioner Mitchell said attention must be given to those veterans that have and will be returning from Iraq and Afghanistan so they don't fall through the cracks.

Commissioner Helms asked about the expected number of veterans to be in Mecklenburg County over the next decade. *The response was that a specific number cannot be given at this time, but the number will go up from the current 54,000 that is reported by the Veterans Administration office as being in Mecklenburg County.*

Commissioner Clarke asked for clarification on the number of claims processed through County Veterans Services, which was addressed.

Commissioner Clarke asked for clarification on qualifications of Veteran Service Officers, which was addressed.

Commissioner Clarke asked whether County Veterans Services received any federal funding or In-kind services from the Veterans Administration. *The response was that no federal funding is received and that the Veterans Administration does offer some training. It was noted that \$2,000 is received from the State.*

Commissioner Ramirez asked whether the departments' projections were taking into consideration soldiers that will be coming home from the war. Commissioner Ramirez said as a community "we need to be prepared."

Chairman Roberts encouraged the department to partner with Area Mental Health.

Director Weeks noted that a Veterans Administration Out-Patient facility is scheduled to open in Mecklenburg County next spring on University East Blvd.

Chairman Roberts thanked the Steering Committee and staff for its work. A Certificate of Appreciation was given to all committee members.

(4) MEDIC

Joe Penner, Director of Medic gave an update on Medic operations.

It was noted that Medic exist to “provide the most effective care for every patient on every call.”

Director Penner addressed the following in his presentation:

- From Crisis to Quality
- Driven by Patient Care
- Growth: Workload and Quality
- Future Cost

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

Comments

Commissioner Mitchell asked about staffing levels and employee morale, which was addressed.

Commissioner Clarke asked about Medics budget and County funding mentioned on the slide entitled ‘*How did we get there?*’ He noted that it was a significant increase for next year and asked whether this would be the type of increase for the next five years or will the County cost level out over the next few years. *The response was that what’s occurring today with respect to cost is the result of not having a mechanism in place to fund growth over time. It was noted that if the system design is not revisited and nothing is done and Medic continues to operate off of a contract in a climate ten years ago and there’s no growth mechanism, Medic will be back before the County each year for a request larger than what’s shown on the chart, but the specific percentage is not known.*

Commissioner Ramirez noted a past situation concerning firefighters being trained as Medics and asked had that matter been settled. He also asked about the location of Medic sites.

Commissioner Ramirez also asked would it be possible to have a cooperation agreement between Medic and the Fire Department where for example, Thursday through whenever the majority of emergencies occur. *The response was that it is possible to have an agreement with firefighters. The response concerning Medic locations was that all Medic vehicles are located at one central location, staff reports to the main facility, those working out in the field pick up their ambulance and then go out into the community specified areas where they are most likely to be needed.*

Director Penner said when it comes to the delivery of health care, he feels it should be done by a healthcare professional and not someone who does it “casually.” Director Penner said the first responders in this community are “terrific.” He said he feels they should be included in the conversation on “from where we are today into the future” on how to build the system that’s going to deliver services in the community.

Commissioner Helms asked about the How Did We Get Here slide and whether the increase shown in revenue between 03 & 04 was attributable to non-emergency transport. *The response was no and that staff would get back with an explanation for that increase.*

Chairman Roberts thanked Director Penner for his presentation.

Note: None of the above is inclusive of every comment or question, but is a summary.

ADJOURNMENT

Motion was made by Commissioner Helms, seconded by Commissioner Ramirez and carried 5-0 with Commissioners Clarke, Helms, Mitchell, Ramirez, and Roberts voting yes, that there being no further business to come before the Board that the meeting be adjourned at 5:15 p.m.

Janice S. Paige, Clerk

Jennifer Roberts, Chairman