

MAY 27, 2008

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 267 of the Charlotte-Mecklenburg Government Center at 3:00 p.m. on Tuesday, May 27, 2008.

ATTENDANCE

Present: Chairman Jennifer Roberts and Commissioners
J. Daniel Bishop, Dumont Clarke, H. Parks Helms
Bill James, Norman A. Mitchell, Sr.
Dan Ramirez and Valerie C. Woodard
County Manager Harry L. Jones, Sr.
Clerk to the Board Janice S. Paige

Absent: Commissioner Karen Bentley

Commissioners Clarke, Helms, Ramirez, and Woodard were absent when the meeting was called to order and until noted in the minutes.

Note: Although the Board lacked a quorum, Chairman Roberts asked staff to move forward with the presentations, since other Commissioners were expected to arrive.

Budget/Management Director Hyong Yi noted the agenda items scheduled for discussion, which were: Central Piedmont Community College (CPCC) Budget Presentation, Charlotte-Mecklenburg Schools Budget Presentation, and Criminal Justice Rapid Review Task Force.

(1) CENTRAL PIEDMONT COMMUNITY COLLEGE (CPCC) BUDGET PRESENTATION

CPCC President Dr. Tony Zeiss and Vice-President Kathy Drumm presented CPCC's 2008-2009 Budget Request.

Commissioner Helms entered the meeting during this time, thus, a quorum was now present.

The presentation covered the following:

- Operating Budget - Components
 - Student Growth
 - Inflation
 - Salary Increases
 - Square Footage
- Capital Reserve Projects Funding

Commissioner Woodard entered the meeting during this time.

- Consequences of the County Manager's Recommended Budget

It was noted that the County Manager's Recommended Budget for CPCC was \$26,174,542,

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which was \$2,171,945 less than what was requested, \$28,346,487; however, CPCC's adjusted budget request was \$27,858,799, thus changing the unfunded portion of their request to \$1,684,257.

CPCC's Capital Project Requests was \$2,732,000 and the County Manager's proposed funding is \$1,320,000.

Dr. Zeiss asked the Board to consider funding the additional \$1,684,257 in operating funds, the difference between what was requested and the County Manager's recommended budget.

Dr. Zeiss noted that CPCC just experienced a 12% increase in enrollment, which results in an increase in the need for resources.

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

Comments

Commissioner Woodard said it was her understanding between 12:30 p.m. – 6:00 p.m. some CPCC facilities are not being used to full capacity because the majority of students attend during the morning and evening hours. She asked whether CPCC has considered marketing the availability of this space for a fee during those hours to be used for community activities, which would provide them with another source of revenue. *The response was space is currently being leased out but generally the request is for conference rooms and theaters, not classrooms.*

Commissioner James asked about the debate that has taken place between CPCC and the State with respect to "public benefits" for illegals as it relates to whether out of state tuition covers any public benefit.

Commissioner James asked how much of the County's supplement to CPCC is per pupil and approximately how many identified illegals were in the degree programs.

Dr. Zeiss said the average student of the 19 undocumented students they have cost about \$350 per student per year, if you look at the County's portion. With respect to those in the degree programs, it would depend on the number of classes they take, so a specific number could not be given at this time.

Commissioner James said the dollars aren't that significant in the "grand scheme" of things but the reason he brought it up was because if it's determined that a public benefit is a subsidy, then the local benefit would also be a subsidy. He said if it turns out that it's not a "public benefit" then it doesn't matter, but if it turns out that you're not allowed to give a "public benefit" and that's defined as local/state subsidy, then it means the County and CPCC will need to work together to find a way by which the County can be reimbursed for the \$350.00 per student and/or those funds go to other students.

Commissioner Helms asked Dr. Zeiss to comment on the consequences of receiving the additional \$1,684,257 in operating funds. *The response was that it would help maintain their buildings and they wouldn't have to cut classes for students.*

Commissioner Helms asked if CPCC's revised budget request takes into account the new culinary school that's coming on line. *The response was no. It's scheduled to be completed next summer and would be a part of next year's budget with respect to additional square footage.*

Commissioner Woodard asked for information regarding the make-up of CPCC's staff with respect to race and gender. *The response was that information was available and would be provided.*

Commissioner Bishop asked for CPCC's total operating budget cost. *The response was that the operating budget is about \$110 million, which includes the County's portion and the State*

portion which is approximately \$70 million; and the remainder being raised through grants and other services.

Chairman Roberts thanked Dr. Zeiss for his presentation.

(2) CHARLOTTE-MECKLENBURG SCHOOLS BUDGET PRESENTATION

School Superintendent Dr. Peter Gorman, Chief Operating Officer Maurice “Mo” Green, and Finance Officer Sheila Shirley presented Charlotte-Mecklenburg Schools’ 2008-2009 Budget Request. The presentation covered the following:

- Framework for Budget Development
- Superintendent’s 2008-09 Proposed Budget vs. 2007-08 Adopted Budget
- Superintendent’s 2008-09 Proposed Budget Sources and Uses
- Superintendent’s Recommendation for 2008-09 County Budget Request
- Alignment with Strategic Plan 2010
- Redirections/Reductions
- Factors Increasing the Proposed Operating Budget
- Trends in Funding Requested from County
- Reasonableness of Board of Education Budget Request
- Board of Education Budget Request Shortfall

Commissioners Clarke and Ramirez entered the meeting at this point in the presentation.

- Next Steps

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

Comments

Commissioner Bishop commented on CMS’ total budget increase and the fact that the County is being asked to fund approximately 60% of that increase compared to the County’s current funding participation of about 30%. He asked CMS staff to comment on this requested increase in the County’s participation. *The response was there are components of their budget picked up by the State, but for what they need to move forward, there are more significant pieces that come out of the County’s portion, “certainly the salary increase for CMS; the market pay adjustment for CMS that they’re doing at a county level.” “The High School Challenge is another place where you’ll see a significant amount.” It was noted CMS had a decrease in its revenue stream as shown on page 11 of their budget document, a decrease in other local revenue from \$32 million to \$15 million, which contributes to the increase in the County’s portion.*

Commissioner Bishop asked has the County’s share of CMS’ budget increased every year. *The response was that the trend has been around 30%.*

Commissioner James asked about the letter from the County Manager to Dr. Gorman regarding various funding scenarios and Dr. Gorman’s response. *Dr. Gorman said he was not authorized at that point to respond any differently because the Board of Education had just approved their budget.*

Commissioner James asked for clarification about CMS’ hiring freeze, which was addressed.

Commissioner James asked for a listing of those things that will not be done, if full funding isn’t received. *Dr. Gorman said it would not be appropriate for him to submit such a list to the County Commission when the matter hasn’t been presented to the Board of Education.*

Commissioner Woodard asked about tenured teachers working at schools where they’re needed

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the most. *Dr. Gorman said no one has been forced to move and that incentives are available for those willing to be transferred. He said some have moved but not as many as he had hoped. Dr. Gorman said what they've found is that teachers are looking for three things when they move 1) they want to make sure the school has a leader they can have faith in, 2) that there are financial incentives, and 3) that they can go as part of a team . Dr. Gorman said if any of these things are missing there's a hesitation to go.*

Commissioner Woodard asked about physical education classes and whether students are receiving 30 minutes of exercise daily, since childhood obesity is such an issue. *The response was that information would be provided with respect to this.*

Commissioner Woodard asked about the use of "coaches" for high salaried positions, which was addressed.

Commissioner Woodard asked about Communities in Schools on the elementary level. *The response was CMS already funds certain positions with Communities in Schools and that they'll get that information to the Board. It was noted that a partnership already exist with Communities in Schools on the elementary and middle school level to some degree.*

Commissioner Woodard said she also wants information on CMS success rate with the various initiatives they've brought forth every year for the last few years. *It was noted that they're just starting to get some results from the major initiatives from their strategic plan that was rolled out in December 2006.*

Commissioner Woodard asked about examples of alternative education, other than the Derita program, which was addressed.

Commissioner Helms said the responsibility of where cuts would occur for CMS is the responsibility of the Board of Education and not the County Commission.

Commissioner Helms said if you add 2.1 cents to the tax rate it would give CPCC the additional \$1.6 million they've requested and CMS an additional \$18 million.

Commissioner Mitchell addressed taxing authority for the Board of Education, which he supports.

Commissioner Ramirez asked about the High School Challenge, which was addressed. *It was noted that it's no longer a separate grant funding item. It was noted also that improvements have been made but it's still not where it should be.*

Commissioner Ramirez noted he was not supportive of the Board of Education having its own taxing authority.

County Manager Jones, with respect to Commissioner Bishop's inquiry about the County's funding participation in CMS' budget, said the 30% that was mentioned was the percentage of local dollars compared to CMS' total budget.

County Manager Jones said his recommendation provides CMS funding at 44.62%, which includes the \$10 million increase, their capital replacement, as well as, the increase in debt service cost associated with CMS. Further, the 44.62% compares to 45.48% as a total going back to FY2003, and in FY2004 it was 44.65%.

County Manager Jones commented on his recommendation for funding CMS. County Manager Jones said his thinking was influenced by the net revenue expected and that it was more of a balancing act.

Commissioner Clarke asked about the Youthful Offender Academy under the Sheriff's

department and whether CMS is involved. *Dr. Gorman said staff would check.*

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Commissioner Clarke asked about the funding formula and how inflation was handled, which was addressed by Director Yi.

Commissioner Ramirez asked Dr. Gorman would receiving 45% or some other percentage of County revenue annually be a better way to fund CMS. *Dr. Gorman said there were two things to consider, would it be easier and would it meet particular needs. Dr. Gorman said he's not sure if it would meet particular needs because the needs may change year by year as the percentage of the total dollars that go to retiring debt versus operations, which is a component of that. Dr. Gorman said it's hard to say if this would be a better way because he's never worked in a "flat" percentage environment.*

Chairman Roberts asked about revisions to CMS revenue, about Learning Communities, and the Bright Beginnings Program, all of which were addressed.

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

Commissioner James said the County and CMS need to make sure debt service doesn't get out of control.

Commissioner James said neither entity has a "comprehensive" budget process because the operating and capital budgets are done separately. Commissioner James said there needs to be a comprehensive budget that merges the operating and capital budgets together.

The Board recessed at 4:20 p.m. and reconvened at 4:23 p.m.

Commissioner Mitchell was absent when the Board reconvened and until noted in the minutes.

(3) CRIMINAL JUSTICE RAPID REVIEW TASK FORCE

Associate General Manager Michelle Lancaster addressed the Criminal Justice Rapid Review Task Force (Justice & Public Safety Task Force) and shared a summary of planned activity.

The following was noted:

- The deadline for applying is June 11, 2008.
- The Board will appoint ten people.
- Interested persons will be able to apply on-line.
- All applications will be reviewed by the County Manager and the two task force co-chairs (Shirley Fulton and Harry Nurkin).
- Recommendations for task force membership will go to the Board for approval on June 17, 2008.
- A representative from the Lee Institute will facilitate the task force meetings.
- The task force will be charged with making recommendations to the Board on priorities to make the most effective impact on the criminal justice system in our community.

A copy of handouts regarding this matter is on file with the Clerk to the Board.

Comments

Chairman Roberts asked that staff share this information with Charlotte City Council and encourage them to ask people to apply. It was noted that staff plans to keep the City informed and to share information with them.

Commissioner Mitchell returned to the meeting.

Commissioner Bishop commented on the recruitment process and the need for persons with

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expertise in the area of criminal justice. He questioned whether ten lay people will be able to handle the task before them in the amount of time allocated.

Commissioner Bishop said he had persons in mine, he thinks would be good to have on the task force. Commissioner Bishop suggested seven of the ten members be knowledgeable in criminal justice.

Chairman Roberts asked Commissioners to encourage persons whom they feel would be good to serve on the task force to apply.

Commissioner Woodard questioned the need for ten “experts.” Commissioner Woodard said “everyday” folks are needed for diversity purposes.

County Manager Jones asked about the Towns’ involvement. It was noted that information will be shared with the Towns as well, regarding this process.

Commissioner James said it’s important that as the County moves forward with respect to this matter that the focus is fixing the crime problem. He said it should not be about prevention and social services programs.

Motion was made by Commissioner Ramirez, seconded by Commissioner James and carried 7-0 with Commissioners Bishop, Helms, James, Mitchell, Ramirez, Roberts, and Woodard voting yes, to approve the process for the appointment of the Criminal Justice Rapid Review Task Force (Justice & Public Safety Task Force) as recommended by staff.

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

ADJOURNMENT

Motion was made by Commissioner Helms, seconded by Commissioner Mitchell, and carried 7-0 with Commissioners Bishop, Helms, James, Mitchell, Ramirez, Roberts, and Woodard voting yes, that there being no further business to come before the Board that the meeting be adjourned at 4:50 p.m.

Janice S. Paige, Clerk

Jennifer Roberts, Chairman