

APRIL 14, 2009

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, Charlotte, North Carolina on Tuesday, April 14, 2009 at 3:00 p.m.

ATTENDANCE

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

**Absent:** Commissioner Bill James

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*Chairman Roberts and Commissioner Dunlap were absent when the meeting was called to order and until noted in the minutes.*

*The meeting was called to order by Vice-Chairman Cogdell. Vice-Chairman Cogdell chaired the meeting until the arrival of the chairman.*

**(2) FEE CHANGES**

Director of Storm Water Services Dave Canaan addressed the proposed fee changes for Land Use and Environmental Services (LUESA).

The following was covered:

Increase in Zoning Fees (With respect to the City of Charlotte's proposed fee changes listed in the handout, it was noted that the amounts listed were not correct. At this time staff is not sure what the City's proposed changes will be. Staff gave the Board, instead, what the City's current fees are.)

- Zoning Use Permits
- Change of Use Permits
- Sign Permits

Expedited Plan Review Surcharge

Storm Water/Residential Tiers

- Minor System
- Major System

It was noted that in previous years, Land Development revenue supported Zoning Services and had not been a major problem until the recent downturn in land development activity. Therefore, a review of staffing levels, time spent on processing zoning permits and a comparison to the City of Charlotte's zoning permit fees was performed. The proposed fee increases will result in 100%

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zoning fee funded services. It was noted that not all zoning fees are being adjusted. The proposed fees are more in line with what the City of Charlotte is proposing for their zoning permit fees and still results in a reduction in staffing due to the predicted downturn in zoning activity in FY10.

Currently, there are two tiers for single-family residential accounts in the unincorporated areas of the County for minor system services. The proposed change increases the number of tiers to four, making the fee more reflective of the contribution of runoff to the storm drainage system.

Also, currently, there is only one tier for single-family residential accounts applied to all properties in the County for major system services. The proposed change increases the number of tiers to four making the fee more reflective of the contribution of runoff to the storm drainage system.

***A list of the proposed fee changes is on file with the Clerk to the Board.***

Comments

Commissioner Murrey asked if the reduction in staff was because of a reduced amount of building. *The response was yes.*

Commissioner Cooksey asked had the proposed fee changes been discussed with the Towns and if so what was the feedback. *The response was yes and that no one likes fee increases. Director Canaan noted, however, that if the fees aren't increased then the funds would have to be found somewhere else to cover the cost of the services or the County would have to inform the towns that the services can no longer be provided.*

Director Canaan said he would not recommend the County get out of the business of providing this service because zoning is one of the key ordinances where the County achieves some of its goals as it relates to water quality.

Commissioner Murrey asked for clarification on how the cost tripled in three years for three of the fees.

*It was explained that previously the County had a lot of land development revenue coming in, which subsidized zoning services, however, land development revenue has gone down 30% - 50% over the last year.*

Commissioner Leake asked how was the information disseminated to the towns which was addressed.

Commissioner Leake asked had the workload increased for the towns. *The response was no. It was explained that there's been over a 30% decrease in the workload.*

Commissioner Leake asked was the position referenced in the presentation vacant or filled. *The response was filled, but that person will be placed in another area of the department.*

Commissioner Clarke asked for clarification with respect to land development revenue, which was addressed.

Commissioner Clarke said often in government fees aren't adjusted annually which results in large increases later on at one time.

Commissioner Clarke said it would be better to have incremental increases.

Commissioner Cooksey asked was it possible for the towns to back out of the interlocal agreement for these services. *The response was yes, but none of the towns have indicated a desire to discontinue these services or to provide them themselves.*

Commissioner Murrey asked what happens when development increases. Will the fees decrease?

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*The response was not necessarily. All of the fees and staffing needs would be reviewed.*

Commissioner Murrey asked if the Department was still over staffed in this area. *The response was no.*

Commissioner Cogdell asked would the approval of these fee changes impact the layoffs referenced in a previous presentation regarding layoffs in LUESA. *The response was no.*

Commissioner Cogdell asked when was the last time the fees were adjusted, which was addressed.

Commissioner Cogdell echoed Commissioner Clarke's comment with respect to incremental changes in fees rather than large increases at one time.

Commissioner Murrey asked about the square footage cut offs with respect to Storm Water/Residential Tiers, which was addressed.

Commissioner Cooksey asked about the percentage of residents in the various residential tiers, which was addressed.

***Chairman Roberts entered the meeting.***

### **Code Enforcement Fees**

***Commissioner Cogdell left the meeting and was away until noted in the minutes.***

Jim Bartl, Director of Code Enforcement addressed Code Enforcement Fee Changes. The following was covered:

#### New Land Development Fees

- New fee to address renovation and small projects costs
- Increase charge for work started without a permit
- Increase minimum permit fee for projects not requiring a plan review
- Increase rates for Temporary Utilities, Limited Conditional Utilities, and Temporary Certificates of Occupancy.

***A list of the proposed fee changes is on file with the Clerk to the Board.***

It was noted that Code Enforcement is a totally fee funded operation. Also, revenues are down 35%, permit applications are down 20%, inspection demand is down 27%, thus revenue is off by \$10 million.

#### Comments

Commissioner Clarke asked Mr. Bartl to comment on the role of the Building Development Commission, which was addressed.

***Commissioner Dunlap entered the meeting.***

Commissioner Leake asked for a list of the members of the Building Development Commission.

Commissioner Cooksey said he feels what has happen in this instance, as well as, with the fees addressed by Director Canaan, is that no one felt the need to increase these fees since the County was getting so much fee revenue off of the big projects, residential and commercial.

Commissioner Cooksey said in light of these tough economic times, it's been realized that these smaller projects have not been carrying their fair share

Director Bartl said historically single family new construction and the big commercial projects have carried more than their share or weight of the fee structure, which has worked out fine for decades,

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but now in light of the economy this is no longer the case. Mr. Bartl said even with the increases the smaller projects still won't be paying their way.

Commissioner Dunlap asked for clarification with respect to the reason for the increase. *The response was that it was because of the downturn in the economy.*

Commissioner Dunlap asked has staff determined what is a "fair" fee regardless of the current economic situation. *The response was that staff did a study of fees in other areas and discovered that on a minimum basis Mecklenburg County was behind. It was noted that it's hard to do a true comparison because in many areas the fee is based on square footage, whereas, in Mecklenburg County it's based on construction cost. Also, that in terms of it being a "fair" fee, the fee even increased doesn't cover the full cost of the service, only 75%. The other 25% would have to be picked up by the larger projects.*

Chairman Roberts echoed Director's Bartl's remarks with respect to the fact that the larger projects are paying more than their fair share.

### **Park and Recreation Fee Changes**

Budget/Management Director Hyong Yi addressed proposed Park and Recreation Revenue and Pricing Policy changes.

*Commissioner Cogdell returned to the meeting but left again and was absent for the remainder of the meeting.*

Changes were proposed for the following facilities:

- Historic St. Mary's Chapel
- Mahlon Adams Facility at Freedom Park
- Admissions and Passes for recreation centers and the aquatic facilities

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

### Comments

Commissioner Leake expressed concern for 1) fee increases and the impact on communities and youth, 2) the use of Charlotte/Mecklenburg Schools' pools at West Charlotte and Providence High Schools during the summer months, & 3) groups being able to rent out facilities for the entire summer, which prohibits the community's use of the facility.

Jim Garges, Director of Park and Recreation addressed each of these issues.

It was explained that recreation centers are not rented out for an entire time. Further, that access is balanced between rental time and drop in usage. Also, that expanded use of facilities requires additional funding to staff those facilities, funding for this is not available. It was noted that pavilions are rental facilities.

Chairman Roberts said perhaps the issue of access is something that could be placed on the Natural Resources Committee agenda for further discussion.

Director Garges said generally speaking, Park and Recreation has a good working relationship with Charlotte/Mecklenburg Schools with respect to the use of facilities.

Commissioner Leake said she's not speaking of those facilities where there are joint use agreements.

Commissioner Dunlap said he wants to see a fee structure for those that can afford it the least.

Commissioner Dunlap addressed access to facilities. He noted that the access hours are not in line with the times youth want to use the facilities.

**(2) FUND BALANCE BRIEFING**

Finance Director Dena Diorio addressed fund balance and sales tax.

The following was covered:

- Sales Taxes to Date (The distribution for the month was \$13.4 million, which was less than what was hoped for. This brings the total for the year to \$123.7 million and based on that and what was projected by year end staff, is going to reduce it's projection by \$3 million.)
- What is fund balance?
- What are the best practices on fund balance?
- What is Mecklenburg County's fund balance policy?
- How much fund balance does Mecklenburg County have?
- Projected uses of fund balance in FY2010 and FY2011
- Consequences of accelerated use of fund balance

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

Comments

Commissioners Bentley and Clarke asked for clarification with respect to the projections for sales taxes, which was addressed.

Commissioner Dunlap asked about Pay-Go and Debt Service. *It was noted that based on the Board's new debt policy, 50% of the 8% fund balance access would go to pay-go and 50% to debt service.*

Commissioner Cooksey asked for clarification with respect to reserves as required by state statute, which was addressed.

Commissioner Murrey with respect to the County's use of the 8% access fund balance, asked if the rating agencies were viewing this as an exception. *The response was that it's not a red flag yet, because in the past the County's fund balance has always grown. However, if the rating agencies continue to see draw downs of fund balance, it will be an issue.*

Director Diorio said it needs to be understood that even though the easiest thing to do is to draw down fund balance when times are tough, if you don't have a plan to replenish it and you draw down all of your reserves, this will reduce the strength of your credit.

Commissioner Dunlap asked how much was budgeted for this fiscal year for debt service. *The response was about \$230 million.*

Commissioner Bentley asked about a replenishment fund, which was addressed. *It was noted that the County doesn't have a true replenishment fund.*

Commissioner Bentley asked about Moody's Report where it stated the credit of all local governments have been impacted, which can impact credit ratings.

Director Diorio addressed this and said this doesn't mean everyone will be downgraded. but it does mean that everyone will be watched very closely to see how they manage through these difficult economic times.

*The above is not inclusive of every comment made on the above topics, but is a summary.*

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Motion was made by Commissioner Leake, seconded by Commissioner Bentley and carried 7-0  
with  
Commissioners Bentley, Clarke, Cooksey, Dunlap, Leake, Murrey, and Roberts voting yes, that  
there being no further business to come before the Board that the meeting be adjourned at 5:16 p.m.

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Janice S. Paige, Clerk

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Jennifer Roberts, Chairman