

SEPTEMBER 22, 2009

MINUTES OF MECKLENBURG COUNTY BOARD OF COMMISSIONERS

NORTH CAROLINA
MECKLENBURG COUNTY

The Board of Commissioners of Mecklenburg County, North Carolina, met in Special Session in Conference Center Room 267 of the Charlotte-Mecklenburg Government Center located at 600 East Fourth Street at 2:00 p.m. on Tuesday, September 22, 2009.

ATTENDANCE

Present: Chairman Jennifer Roberts and Commissioners Karen Bentley, Harold Cogdell, Jr., Bill James, Vilma Leake and Daniel Murrey
County Manager Harry L. Jones, Sr.
County Attorney Marvin A. Bethune
Clerk to the Board Janice S. Paige

Absent: Commissioners Dumont Clarke, Neil Cooksey, and George Dunlap

-INFORMAL SESSION-

The meeting was called to order by Chairman Roberts.

The Board met in joint session with the Charlotte/Mecklenburg Board of Education.

The purpose of the meeting was to receive presentations regarding the County's Capital Improvement Program.

Charlotte/Mecklenburg Board of Education Chairman Molly Griffin thanked the Board for giving the Board of Education (BOE) the opportunity to meet with the Board and to present its capital program.

MECKLENBURG COUNTY CAPITAL IMPROVEMENT PROGRAM

Finance Director Dena Diorio gave a capital assessment overview beginning in March of this year, 2009. The following was covered:

- * Actions to date, since March
- * Approved Capital Improvement Programs: FY 2008 & FY 2009
- * Authorized and Unissued Debt as of September 15, 2009
- * Pay-Go Projects
- * Projected Capacity as of March 2009
- * Debt Allocation Options Presented in March 2009
- * Current Status and Next Steps:

The Board opted to allocate capacity by purpose and borrow consistent amounts each year.

At the Public Policy meeting in October the Board will consider various options for determining how much capacity to allocate to each purpose.

Staff is currently analyzing cash flows and various models for allocating capacity.

The Board to approve final allocation by the end of the calendar year.

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

Comments

Commissioner James asked whether staff felt the revenue projected would create the growth, such that the projected capacity/debt service as a percentage of budget, would remain at 20%. *The response: Staff feels the debt issuance numbers will remain fairly consistent and would keep the County in compliance with its debt policy, however, there could be some changes in the numbers based on another review by staff in updating the model.*

Commissioner James asked when was the next planned annual sale. *The response: July 2010.*

(CHARLOTTE MECKLENBURG SCHOOLS CAPITAL PROGRAM)

Guy Chamberlain and Mike Raible with Charlotte Mecklenburg Schools (CMS) gave an update on CMS' Capital Program. The following was covered:

- * 2007 Bond Projects Completed
- * 2007 Bond Projects Under Construction
- * 2007 Bond Projects Not Started
- * Revised 2007 Bond Execution Plan
- * Projected Cash Flow
- * Current Ten Year Capital Needs Assessment
- * Growth
- * Renovations
- * Instructional Technology
- * Indoor Air Quality
- * Asbestos Removal
- * Surveillance Upgrades
- * ADA

It was also noted that CMS has an agreement with the developer for a free site for the Palisades Elementary School if CMS has a contract by July 1, 2010. Further, since the next issuance by the County is July 1, 2010, CMS will move forward on "faith" and put this project out for bid and caution the contractor that it is subject to the availability of funding, so that it can be under contract by July 1, 2010, in order to get the free site.

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

Comments

Commissioner Murrey asked about project cash flow and if it was based on following through with the projects listed in the presentation. *The response: Yes, but it doesn't include the matters addressed by Mr. Raible in his remarks regarding the Ten Year Capital Needs Assessment.*

Board of Education member Kaye McGarry asked Mr. Raible to clarify how CMS identifies utilization. *The response: CMS compares the number of classrooms in a school to the number of classroom teachers assigned to the school. If it's a one to one comparison, then that's 100% utilization. If there are more teachers than classrooms then it's higher than 100%, likewise if it's less teachers than classrooms it's less than 100% and the allocation of teachers is based on enrollments and by formula and takes into account free and reduced lunch percentage.*

Board of Education member McGarry asked was it correct that free and reduced lunch students get 1.3 versus 1. *The response was yes by formula.*

Chairman Roberts asked for an update on conversations between staffs regarding joint use of

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facilities. *The response: Staff is continuing to do research into alternative scheduling. Further, that N.C. standards limit CMS from doing some of the things that are occurring in other states, such as having double sessions.*

Chairman Roberts asked how much is capacity increased if you do year round school. *The response: There are several models but for a four track system it would increase capacity by about 33% and what that would mean is that students would continue to go 120 days but the schedules would be staggered.*

Commissioner Leake said with respect to CMS' ten year plan, she sees some of the same projects that have been on the list in previous years, that seem to have "slipped" down the list further. Commissioner Leake said she's concern about how things are being categorized and the necessity of things.

Commissioner James asked how much of the \$1.1 billion total authorized is CMS. *The response: \$360 million.*

Commissioner James asked of the \$360 million what's available to spend like cash in the bank or bonds that have been sold. *The response: It's bonds to be sold.*

Commissioner James asked if that means it's \$360 million to be sold before going back to the voters and asking for something else. *The response was yes.*

Commissioner James ask for clarification with respect to a previous ten year plan that he said had a priority list associated with it and asked whether the list noted in the presentation was based on that same priority list. *The response: Yes, but it was changed from a "plan" to a capital needs assessment, "recognizing that you can't always get what you want."*

Commissioner James asked was there anything absent from what's in the presentation that would have been on the previous document that's not being done. Commissioner James said what he's trying to figure out is whether the ten year capital plan has been revised. Commissioner James said he's curious about the things that have been deferred and those CMS can't do because of the cost of the "debt diet." *The response: CMS staff has a fiduciary responsibility to the Board of Education to accurately communicate what the capital needs are for the district, irrespective of what funding CMS may get. Thus, the ten year plan presented last year to the Board of Education reflected all of the schools needed and renovations; and staff did not waiver from the current standards it has.*

Mr. Chamberlain said staff took the funded capital list, the list that went to the voters and was approved in 2007 and have essentially taken that same priority list and is shown in the presentation. However, CMS can't execute projects in their exact priority, for example, a brand new school may not have a site, which means that project would have to wait maybe a year.

Mr. Chamberlain said staff to the best of its ability executes in sync with the priority list but some of the projects are a little out of priority. A conscious effort was made to essentially put all of the athletic facilities behind the classroom improvements and classroom build. Further, that what is reflected is the late starts and late finishes. So the lack of funding has really pushed the bond projects and stretched them out.

Superintendent Dr. Peter Gorman clarified that the information shown is bond work. He said this is what went before the voters. Dr. Gorman said it was not the ten year capital needs and that those projects are not in the information being shared because that's five years out at a minimum.

Commissioner James said he wants to see the original list of projects for the \$516 million that was originally scheduled to be completed by 2012.

Commissioner James said in determining the appropriate amount to allocate to CMS, he feels

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the Board needs to know what's the "bare" minimum that CMS can "live" with and are there some special needs that CMS would like to see funded, certain renovations, etc. *Mr. Chamberlain said at some point there will be a process for doing what Commissioner James is talking, per his discussions with County finance. This process would be a tool to assess CMS needs against other needs in the County.*

Commissioner James said whenever that comparison is done, the Board will need to know about not just what's listed in the presentation, the \$286 million, but also what the other needs are beyond the \$286 million.

Commissioner Bentley asked about decreases in enrollment and the impact of this on the ten year plan from a capital needs perspective. *The response: There are 35,000 additional students built into the capital needs assessment as the estimated increase in enrollment over the next ten years, however, that has flatten out in the earlier years, but demographically staff feels it's still at around 35,000, even though it's been slow starting out.*

Commissioner Bentley asked at what point would CMS adjust the count if the decline continues over the next two or three years. *The response was after CMS receives the 20th day data staff will begin to do both short and long projections.*

Superintendent Dr. Gorman said it's important to understand that CMS still has 900 portables. He said with the enrollment level it has allowed CMS to catch up at a little faster rate. Dr. Gorman said if growth continues to be flat for quite awhile that there could be a major change in "very back end" of the ten year capital needs assessment. He said to get to that back end would require \$260 million a year for multiple years. Dr. Gorman said CMS is playing catch up in the first part of the capital needs assessment, so it'll be multiple years before the need won't be, but in totalaty it will definitely have an impact if that maintains.

Commissioner Cogdell asked if there was a short term or mid-term contingency plan in place, if the economic downturn continues even longer, that will be able to better utilize current facilities to meet the needs of the community, realizing that you may have constant renovation expenses coming up that will never end.

Superintendent Dr. Gorman said the main way in terms of an alternative would be something more on the line of year round schools with multiple tracks, however, at this point in time there has not been any major discussion of this. Dr. Gorman said in taking this matter to the Board of Education, that staff feels part of that discussion needs to be in conjunction with the County Commission setting priorities and the funding component.

Board of Education Member Joe White said the project list presented was the 2007 bond projects and that voters were asked to support. Board member White said because finances have changed and the County Commission can no longer issue the debt that was anticipated at that time, these projects have been "pushed back." He said everything that was originally on the list is still there.

Board of Education member White said his concern is the delay in the start of some of the projects not occurring until two years from now. He's afraid that when these projects come up there may not be anyone on the Board of Education who fought for those projects and his fear is that the projects will "disappear."

Commissioner Murrey asked about utilization projections shared and what would happen to those numbers over the next seven or so years if the plan is followed. *The response was that staff would be able to respond once it gets the 20th day data.*

Commissioner Murrey asked if there's no growth, is it safe to assume the utilization numbers won't change. *The response was it is not because teacher allocations are based on a number of factors, for example, the poverty level.*

Commissioner Murrey said he thinks there needs to be a public conversation regarding alternatives,

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such as year round schools.

Commissioner Murrey said he thinks current times is an opportunity to think differently and to possibility change the way we currently do business.

Commissioner Murrey noted the possibility of some consolidation between CMS and Park and Recreation when it comes to athletic facilities. *The response was that the two staff's have worked together and continue to discuss any possible areas of overlap.*

Commissioner Murrey said he has said in the past that he feels CMS should not build anymore athletic facilities, that they be built, controlled and maintained by Park and Recreation.

Chairman Roberts said she thinks the message the Board is trying to send is that the County can no longer afford for everyone to have their own buildings. Further, that "we have to start thinking outside of the box" about how things are done.

Board of Education member McGarry said she agrees there needs to be some different solutions, rather than continuing the status quo.

Board of Education Member Trent Merchant said one thing that he hopes the County will reconsider is the desire to have LEAD certified buildings because it's an additional cost. Board of Education Member Merchant said he's for sustainability, but questions whether all the things you have to go through and the money it cost to get that certification is worth it because often you can get "similar bang for the buck" without putting "a bike rack" at a building, especially when the building is on a highway where people wouldn't ride a bike to, but you get check off when it comes to LEAD certification.

Board of Education member Merchant commented on how recreation leagues in the community utilize County and CMS facilities and assist with maintenance. Board of Education member Merchant said if there are going to be discussions regarding sharing resources that the private sector recreation leagues should also be included.

Board of Education member Merchant said he thinks part of the "ultimate" answer is going to require some change at the state legislature level, in order to do some things with scheduling. He said CMS is in "a box" with its current schedule. He said CMS isn't even close when it comes to being able to do year round school and multiple tracks.

He said maybe more needs to be done with our legislative delegation to build an even better working relationship other than the annual breakfast.

Board of Education Member Trent said he knows there are a lot of questions regarding the prioritization but the reality is that CMS needs the spaces. He said ultimately he thinks part of the answer might be a University of Phoenix type model at the high school level or for some types of students, where it's not where you go to school or how you get to school and that school is "not where you go but what you study." He said CMS is not there yet but it is something to consider long term.

Board of Education Member Trent said he doesn't think another joint meeting is needed between the two bodies, but that maybe what needs to occur is "to say hey, you, you, and you, the thing you're really nuts about, for example if you're nuts about technology or legislative relations, then get some other people with that interest in a room and work on it." He said he thinks the joint meetings are important but he thinks there are a lot more important work that members can be doing rather than having our staffs come together to listen to members talk and saying the same things.

Board of Education Member James Ross said he thinks more joint meetings should occur on the

Board level and that they should also include the Park and Recreation Commission and the legislative delegation.

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Commissioner Leake requested a list of alternatives CMS has decided to venture to look at with the shortness of funds. Commissioner Leake said she wants to know if CMS has any other plans beyond coming to the County and asking for funding.

Board of Education Chairman Griffin concluded the discussion by saying thank you for this opportunity. Further, that the Board of Education wants to have these types of interchanges as they try to as a community determine their priorities. They are aware of the difficult situation the County is facing with its debt diet, but they would like to be at the table to help set priorities.

Board of Education member White said in response to the question raised by Commissioner Leake that when the BOE rolled out its operating budget for this year, it reflected six tier levels that indicated what would be cut if funding came in at the different levels.

Commissioner James said what he wants to know is what would be the impact on CMS if the County only gave CMS 28% of its ten year capital plan.

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

(CENTRAL PIEDMONT COMMUNITY COLLEGE CAPITAL IMPROVEMENT ALLOCATION REQUEST)

Dr. Tony Zeiss, president of Central Piedmont Community College (CPCC) and Kathy Drumm vice-president gave an update on CPCC's Capital Improvement (CIP) Allocation Request.

The following was covered:

- * Enrollment Growth
- * Summary List of Projects
- * Objectives
- * FY 2010 Previously Approved Projects
- * CIP Allocation Request for FY 2011-2014

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

Comments

Commissioner James said he would like to know what would be the impact on CPCC's capital plan if it only receives what the County is projecting. *The response was what's being presented is in response to that.*

Commissioner Leake said she would like to know was it possible for CMS to utilize some of CPCC's classroom space during the day. *The response was that their facilities are utilized during normal schools hours.*

PUBLIC LIBRARY OF CHARLOTTE AND MECKLENBURG COUNTY

Charles Brown, director of the Public Library of Charlotte and Mecklenburg County gave an update on the Library's capital projects, which included the budget and completion dates. He also addressed cash flow projections.

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

Comments

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Board of Education member Ross asked would the project out on Scaleybark be on the same site or across the street. *The response was that it would be adjacent, about a half a block to a block from where the current library is located.*

Commissioner James noted to Director Brown that if there are other projects beyond what's listed, that the Board at some point will need to know that information.

Commissioner James asked about the Carmel Road library, which he said he thought studies have shown that it's in the wrong location. *Director Brown said the Carmel Road library would be replaced and not renovated. Further, that their facilities master plan will address it more specifically with respect to where it will be sited. It was noted that the Library has been in conversation with residents of the Town of Pineville and that there's a proposal for a Pineville library, as well as a future library in the Ballantye area in the future, which would address the Carmel Road area.*

Commissioner Leake asked was there any libraries closed as a result of budget cuts. *The response was no all libraries are opened, that hours were reduced during the summer months but that everything is up and running as it originally was.*

Commissioner Cogdell asked if there has been discussion with CMS about the possibility of joint capital funding long term planning to build libraries on school sites and working in conjunction with CMS schools. *The response was that the library has had discussions regarding this and that some of their future plans have involved the possibility of being on a school campus. However, the Library's experience and experiences of other libraries have shown that having a joint use library in a school has not served the public very well. Director Brown said an example of that is with the Freedom Regional library, located in Phillip O. Berry Academy and is by far the library system's least accessible library. Director Brown said libraries want to be in high traffic areas and that usually schools do not.*

Commissioner Cogdell asked had the Library Board had discussions about looking at leasing possibilities versus construction of new facilities. *Director Brown said he believes the Library Board's philosophy has been to move away from leasing when possible. He said when you own a facility versus leasing it, there's more flexibility. Also, that the amount of space needed for a library can be difficult to find and expensive in terms of leasing space.*

Commissioner Cogdell said he can understand the Library Board's thoughts regarding leasing but that sometimes leasing space in a particular area or neighborhood can be an economic stimulus for that area.

County Manager Jones said he does see opportunities to think differently around library availability through having private developers to bear the cost of construction and having the County leasing on a term or short term basis so that we might be able to have more library facilities scattered around the community and to close those that are not having the kind of traffic we would want to have and moving to another location.

County Manager Jones said he would hope that as the County and the library staffs have more discussions that Director Brown would encourage the Library Board to think differently about how library facilities are provided.

County Manager Jones said there are going to be additional shopping centers constructed all over the community and with Interstate 485 and the expansion of the other corridors and thinks there are tremendous opportunities to explore. County Manager Jones said that would end up not being a capital cost to the County but it does end up becoming an operational cost and that it would have to be evaluated from that perspective but it doesn't compete then with capital cost but it does a little on operating budget.

Director Brown said he and the Library Board are open to thinking differently but that he is

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concerned when it comes to the joint use concept with the schools, only because these are incredible financial commitments. He said the capital cost is one thing, the on-going operational costs are another. He said when he sees for example, an operation like a Freedom Regional Library, which he said really almost underperforming. He said they want to see libraries maximized by the public, which is not always possible when they're located in a school.

PARK AND RECREATION

Jim Garges, director of Park and Recreation gave an update on Park and Recreation capital projects. The following was covered:

- * Unsold Bonds Projects List
- * 2008 Bond Referendum - \$250 million Projects List and Descriptions

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

Comments

Commissioner Leake asked about the Friendship Sports Complex, which was addressed.

Commissioner James asked if Park and Recreation have a schedule, which was addressed.

Commissioner James said one of his concerns is that he disagrees with the priority of the land, greenways, and parks. Commissioner James said he believes the priority should be land, parks, and greenways. *Director Garges said the headings as they appear in the presentation aren't necessarily in priority order, but that the greenways and parks listed under the headings are prioritized.*

Director Garges said the Board can debate back and forth between the parks and greenway projects but that part of the understanding is that you have to set aside some money for land. He said it's a balance between greenways and park projects.

Commissioner James said he was referring back to the original master plan that had a summary. Commissioner James said he feels there needs to be something more defined, specifically listing what would be done in what years.

This concluded the discussion. No action was taken or required.

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

ADJOURNMENT

There being no further business to come before the Board that the meeting was declared adjourned at 4:13 p.m.

Janice S. Paige, Clerk

Jennifer Roberts, Chairman