

MAY 11, 2010

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 at 3:00 p.m. on Tuesday, May 11, 2010.

ATTENDANCE

**Present:** Chairman Jennifer Roberts and Commissioners Karen Bentley, 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:** Commissioners Dumont Clarke and Bill James

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*The meeting was called to order by Chairman Roberts after which the following topics were addressed: Financial Management Services Assessment Report and Program Review.*

(1) FINANCIAL MANAGEMENT SERVICES ASSESSMENT REPORT

County Manager Jones and Budget/Management Director Hyong Yi addressed the Financial Management Services Assessment. The following was noted in the report.

*Note: Mecklenburg County's approach to financial management has been to provide departments the flexibility needed to manage financial/business affairs under the auspices of organization-wide policies and procedures. Primary accountability for compliance has been delegated to department directors, with monitoring provided by the County Finance Department and/or the Internal Audit Department. Until now, this strategy had not been formally articulated or acknowledged. Instead, it has been the de facto strategic approach that evolved in increments over several years rather than designed as a whole system. In many ways, this approach has served the organization well. It has enabled the development of knowledgeable and skilled financial management leadership and staff throughout the organization. This includes the development of department directors who are well versed and astute in financial and business management. It also has enabled departments with differing business needs – including very different financial management requirements – to address these sometimes unique needs. Therefore, although there are many aspects of Mecklenburg County's financial management services that reflect the desired state, there also are opportunities for improvement. The recommendations provided in this report are based on the intent to retain, sustain and leverage the strengths of Mecklenburg County's financial management services, while making structure and processes changes that improve the efficiency and/or effectiveness in these services. The recommendations include:*

- Adopt a **financial management strategy** that enables **Flexibility and Accountability within a Framework**
- Reorganize and restructure to **manage key accounting functions corporately**
- Designate a **fiscal control compliance officer in each department**
- Designate senior fiscal manager within each department as **fiscal control compliance officer** in that department
- **Reorganize and restructure reporting lines**

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- **Specify and clarify performance standards and accountability** for financial management and fiscal control
- **Establish a fiscal control team**
- **Enhance Internal Audit Department's capacity, capabilities and functions**, including more frequent core audits and more timely audit reports
- **Establish a financial services support center** managed by the Finance Department
- **Consolidate all department/agency capital reserve needs/projects** into one capital reserve process.
- **Redesign planning and decision making on capital reserve and fleet replacement similar to Technology Reserve process**
- **Develop formal/intentional communication processes**
- **Establish a well-defined conflict management process** to mitigate and resolve conflicts in ways that maintain and/or enhance working relationships
- **Establish/ensure consistency in job classifications** for financial management positions throughout the organization, and **clarify recruiting and hiring standards and processes** for filling financial management services vacancies.

The following was also covered:

- The Charge
- Process Methodology
- Findings
- Financial Management Services Strategy
- Approved Action Steps
- Implementation
- Culture – Desired Future State

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

Comments

Commissioner Dunlap asked if the benefits outweighed the cost of obtaining a consultant. *The response was yes.*

Commissioner Dunlap asked would employees who have consistently done well be rewarded and would that be reflected in the budget. *County Manager Jones said his plan was to continue to support pay for performance, however, for next fiscal year, there would not be funding for performance increases.*

Commissioner Murrey noted that the financial management services assessment was already in place prior to the audit committee's report last year. He complimented staff for doing this.

Commissioner Leake asked about employee compensation. *County Manager Jones said his recommended budget would not include salary increases for employees. Further, that this was the second year he has had to do this. County Manager Jones said his hope was in the following year that there would be the ability to place back in the budget funding in order to reward employees for the work that they do.*

Commissioner Cogdell emphasized the importance of planning and the impact of that on the budget.

Commissioner Bentley asked how would staff know when it's been successful. *General Manager John McGillicuddy said when people feel they're all on one team.*

Commissioner Bentley asked how do you sustain a cultural change in the long run. *County Manager Jones addressed this and noted his past experience in doing this and the Board's role through annually looking at its priorities and its vision.*

Commissioner Cooksey said the current economic times has caused the County to look at doing

things differently, which could result in potential savings.

Chairman Roberts said she hopes a part of this assessment would result in using less paper and automating more processes.

Chairman Roberts as an FYI, said the state department of revenue was looking at getting counties information on sales tax revenue in a more timely fashion.

## (2) PROGRAM REVIEW

Planning and Evaluation Director Leslie Johnson addressed Program Review.

The following was covered:

### Program Category & Service Ratings

- \* Adult Abuse/Neglect Prevention & Protection
- \* Adult Mental Illness Prevention & Protection
- \* Aging in Place Services
- \* Child Abuse/Neglect Prevention & Protection
- \* Disability Prevention & Treatment
- \* Ethnic & Cultural Diversity
- \* Job Training/Employment Assistance
- \* Transportation
- \* Voting Services

It was noted that there were six additional services reviewed that did not align to the above program categories:

- \* Charlotte Volunteers in Medicine
- \* Mi Casa Su Casa – Health Fairs
- \* Sickle Cell Regional Network (Crescent Health Institute)
- \* Screening, Triage & Referral
- \* Voter Education & Outreach
- \* YMCA Starfish Academy

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

### Comments

Commissioner Cooksey asked for clarification on determining the ratings which was addressed.

Commissioner Murrey asked for clarification on the term relevance with respect to the category of Child Abuse/Neglect Prevention & Protection which was addressed.

Chairman Roberts asked about outside agencies and their relevance determination as it relates to the agency providing a service that the County would otherwise have to provide, which was addressed.

Chairman Roberts asked were there any outside agencies that could be contracted that are now considered vendors or have there been instances where an outside agency went from a vendor to a contractor. *The response was yes, Mecklenburg Sentencing Services was cited as an example.*

Commissioner Murrey used the Starfish Academy as an example and said he was still struggling with how staff determined eight percent relevance for a service that the Board has said was a high priority, even if it's not mandated. He noted that the Board has put education/education support services as a top priority. Commissioner Murrey asked whether the Board's priorities weigh in as a factor when determining relevance. *The response was it has in the past but in this case timing was an issue because the assessments were done in the fall and the Board set its priorities in January of this year.*

Commissioner Murrey said the Board's priorities should be factored in.

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Commissioner Murrey asked about the Work First program and the \$58,000 plus in overpayments as noted in the report. *Director Johnson explained how the state does its random sampling with respect to this program. Further, that based on the size of the sampling and because it could include overpayments and other things, staff wasn't sure at this point how significant the problem was, but it was a concern. Director Johnson said it's a repeated concern with regards to how applications were being certified and/or recertified. She said the dollar amount varies from case to case and based on the information provided, staff was not at a place to determine what would be the actual cost associated with it. Director Johnson said the County's fiscal liability and responsibility for the overpayments with the state was based on those that they've identified in their findings. Director Johnson said the County has a fraud investigation team and the Department of Social Services (DSS) has its own internal controls to try and identify problems as well. Director Johnson said because there were overpayment issues and other issues, it's not known at this point how significant the financial problem was.*

Commissioner Murrey said this was a problem, and he'd like to know what's being investigated.

General Manager Michelle Lancaster said she received this information last week and has asked for a response on all of the DSS categories that had "poor" performance, this one in particular. She said staff was taking this very seriously and would provide a response to the Board.

Commissioner Dunlap asked how would you increase the performance of the programs that were relevant and a part of the County's responsibility to make them more efficient, which was addressed.

Commissioner Dunlap asked how important was performance to the County Manager's recommended budget with respect to outside agencies. *The response was during the budget deliberations, specifically the straw voting process, performance data is provided on all agencies, which the Board can take into consideration when making its decisions.*

Commissioner Cogdell commented on DSS and Child Abuse, Neglect Prevention/Protection, specifically Adoption Assistance, Child Protective Services, and Permanency Planning and his observation that for some, the systemic process issues have not been addressed. Commissioner Cogdell said if you took the relevance scores out and you average the performance and efficiency scores, they scored very low. *The response was that this was a major concern of senior staff because these services were mandatory.*

Commissioner Cogdell said he, too, felt that what the Board sets as a priority should receive a high score when it came to relevance.

Commissioner Cogdell said per reviewing the report, relevance tends to skew the numbers.

Director Johnson said Commissioner Cogdell was correct and that it's all based on a point in time. Director Johnson said the area that had the most ambiguity based on Commissioner Cogdell's comments, was the outside agency piece because all of the other pieces were based on state mandates.

Director Johnson said the question was, what's the appropriate range for outside agencies with respect to relevance. Director Johnson said there have been times when Board relevance has affected relevance and other times when it's been taken out. She said it's still in refinement mode with respect to how to deal with outside agencies. Director Johnson said staff would be happy to revisit this issue and bring back options.

Chairman Roberts asked about the cycle for program reviews, which was addressed.

*Note: The above is not inclusive of every comment and/or question asked but reflects key points and requested follow-up.*

Motion was made by Commissioner Cooksey, seconded by Commissioner Cogdell, and unanimously carried, with Commissioners Bentley, Cogdell, Cooksey, Dunlap, Leake, Murrey, and Roberts voting

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yes, that there being no further business to come before the Board that the meeting be adjourned at 5:24 p.m.

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Janice S. Paige, Clerk

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Jennifer Roberts, Chairman