



News Release

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County Manager Presents Budget Strategies to Close Funding Gap

FAYETTEVILLE – County Manager Amy Cannon outlined possible strategies for closing a projected \$27.3 million gap in the Fiscal Year 2018 budget during a meeting tonight of the Cumberland County Board of Commissioners. Cannon scheduled the early budget meeting to present information about the challenges the county is facing and some of the potential reductions in operations and personnel under consideration.

Cannon did not seek any action from the board during the information session and will present her recommended budget on May 25.

The deficit includes a \$9.7 million tax revenue loss following a property tax revaluation that saw a drop in residential values. The current tax rate is 74 cents per \$100 valuation. Cannon told commissioners a projected revenue-neutral tax rate of 78.4 cents, if approved by the board, would produce next fiscal year the same amount of tax dollars collected this year plus natural growth.

In addition to the \$9.7 million loss in property tax dollars, the deficit also includes:

- \$6.8 million in departmental requests;
- \$4.6 million for recurring Mental Health funding;
- \$1.9 million for a 2-percent employee cost-of-living increase;
- \$1.3 million additional costs for Jail Health;
- \$1.1 million for increased employee health insurance costs;
- \$500,000 additional request from Fayetteville Technical Community College;
- \$1 million for repairs and maintenance to County facilities;
- \$400,000 for other increases.

Cannon cut the departmental requests by \$3 million and then instructed departments to submit three levels of incremental reductions. The reductions include operational and staff cuts. Cannon presented the proposed three strategies that could reduce the deficit by an additional \$5.6 million. The potential reductions include cutting 99 positions (66 filled and 33 vacant) and eliminating the employee 1 percent 401-K contribution.

Other reductions outlined in the three strategies include:

- Community Funding – Eliminating four current recipients and reducing requests across the board;
- Animal Control – eliminating the evening shift from 7 p.m. to 7 a.m.;
- Library services – reducing service hours (a total of 23 hours a week) at three branches; closing one branch and the Law Library at the courthouse;
- Health and Human Services - Closing two public health clinics (Dental and Adult Health); consolidating two group homes and closing the domestic violence Care Center and Shelter.

Cannon instructed budget staff and department heads to focus on reducing non-mandated services, and the Care Center and shelter fall in that category. The two health clinics have seen reduced patient visits because local providers accept Medicaid and the dentist position in the Dental Clinic has been vacant for one year.

With the approval of a revenue-neutral tax rate by the commissioners, the deficit would be reduced \$9.7 million. That \$9.7 million combined with the \$8.6 million from the manager’s earlier cuts and the three strategies presented to the board would still leave the county with a \$9 million budget gap.

Management and the budget staff will continue to work on closing the gap and Cannon will present the County’s recommended budget at 7 p.m. on May 25.

“We are not finished. We will continue to review the budget for additional ways to reduce the deficit. In a very short period, we have to balance this budget and it is going to be challenging. This is not a short-term fix. We will approach this budget from a long-term perspective – the perspective of sustainable reductions, sustainable decisions,” Cannon said.

“I believe it is going to take a combination of additional new revenue and substantial cuts in the area of non-mandated services,” Cannon said. “We need to focus on our core services and be the best we can be at what we are mandated to do.”

Cannon outlined potential long-term strategies that will be considered following the adoption of the County’s budget, including divesting county properties, consolidating county functions, reviewing outsourcing options, prioritizing funding for business process improvements and developing a debt-financing model.

The complete County budget meeting schedule appears below. All meetings will take place at the Courthouse.

May 25	7 p.m.	Manager’s Budget Presentation	Room 118
May 30	5:30 p.m.	Budget Work Session	Room 564
June 5	7 p.m.	Budget Public Hearing/Work Session	Room 118/564
June 8	5:30 p.m.	Work Session/Department Head Appeals	Room 564
June 13	5:30 p.m.	Work Session	Room 564
June 14	5:30 p.m.	Budget Work Session (if needed)/Adopt Budget	Room 564

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