

**CUMBERLAND COUNTY BOARD OF COMMISSIONERS
JULY 20, 2001, 7:30AM
EMERGENCY MEETING
ROOM 564, CUMBERLAND COUNTY COURTHOUSE
FAYETTEVILLE, NC**

PRESENT: Chairman J. Lee Warren, Jr.
Vice Chairman Breeden Blackwell
Commissioner Talmage Baggett
Commissioner Jeannette Council
Commissioner Kenneth Edge
Commissioner Billy R. King
James Martin, County Manager
Amy Cannon, Asst. County
Manager/Finance Director
Grainger Barrett, County Attorney
Marsha Fogle, Clerk to the Board

The purpose of the Emergency Meeting is to go into Closed Session for an Attorney-Client Matter (School Board v. Board of Commissioners) and if necessary to discuss the status of the school budget dispute.

MOTION: Commissioner Baggett moved to go into Closed Session for an Attorney Client Matter (School Board v. Board of Commissioners).

SECOND: Commissioner Blackwell

VOTE: UNANIMOUS

MOTION: Commissioner Edge moved to go back into Open Session.

SECOND: Commissioner King

VOTE: UNANIMOUS

Chairman Lee Warren read the following statement:

**BOARD OF COMMISSIONERS ACCEPTS PROPOSAL TO RESOLVE
SCHOOL FUNDING DISPUTE**

In a spirit of accommodation and in the best interests of the entire Cumberland County community, the Cumberland County Board of Commissioners unanimously agreed today to a proposal from court-appointed mediator J. Anderson Little to resolve the Fiscal Year 02 school funding dispute with the Cumberland County Board of Education. The Board of Education has also accepted the mediator's proposal (as of 9:00AM this morning).

- The County will appropriate for FY 02 the \$51.2 million it had already budgeted and an additional \$4.0 million to the school local current expense fund. The Board of Commissioners and the Board of Education agree to submit to the Cumberland County Superior Court a consent order seeking approval to levy an additional 2.5 cent property tax. Together with other funds the County has received or expects to have available, this will provide the \$4.0 million additional appropriation.
- The Board of Commissioners also agrees to appropriate for FY02 an amount equal to one-half the net increase in revenue received by the County from an increase in the local option sales tax if approved by the General Assembly, not to exceed \$1.7 million.
- For FY 03, the Board of Commissioners agrees to appropriate \$57.15 million to the school local expense fund. The Board of Commissioners anticipates that this increased appropriation should be roughly proportional to the increase in the County's property tax base.
- And the Board of Commissioners also agrees to pay its appropriation to the Board of Education in twelve equal monthly installments payable by the 10th of the month. The installments for July and August 2001 will be paid by August 10th, 2001.

The Board of Commissioners believes that this agreement will avoid a court battle that would have been stressful and damaging to the community. The agreement also

meets the Board's budget goals. It provides a school appropriation from recurring, sustainable revenues. It reduces by one-half the necessary 5 cent property tax increase that would have resulted from litigating this matter. It maintains the County's fund balance at or above 10%. And it allows property tax bills to go out in time for many taxpayers to take advantage of the discount period.

The Board of Commissioners expresses its great appreciation to the citizens of Cumberland County for their patience during this trying time. It also expresses its appreciation to all those who worked hard for this agreement to come about, including mediator J. Anderson Little. It expresses its special thanks for their outstanding service during these long weeks to County Manager James Martin, Assistant County Manager for Finance Amy Cannon, County Clerk Marsha Fogle, County Attorney Grainger Barrett, Assistant Finance Officer Howard Abner and all their staff.

MOTION: Commissioner Baggett moved to recess this meeting to 3:00PM, Tuesday, July 24, 2001, Room 118, Cumberland County Courthouse.
SECOND: Commissioner Jeannette Council
VOTE: UNANIMOUS

Clerk to the Board