

CUMBERLAND COUNTY BOARD OF COMMISSIONERS
JUNE 11, 2001, 7:00PM
(RECONVENED FROM JUNE 7, 2001 MEETING)
BUDGET WORKSHOP

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

INVOCATION: Vice Chairman Breeden Blackwell

Chairman Warren reconvened the meeting from June 7, 2001.

Chairman Warren asked the County Manager to review the Budget Ordinance and the adjustments made by the Board.

The County Manager read the Budget Ordinance as outlined below.

BUDGET ORDINANCE
FY 2001-2002

The Board of Commissioners hereby adopts and enacts the proposed 2001-02 fiscal year budget as recommended by the County Manager with the amendments incorporated herein as the County of Cumberland's budget for FY01-02 under the following terms and conditions:

1. The Budget Ordinance shall govern only total dollar departmental appropriations as shown subject to the Resolution of September 7, 1982, after any additional personnel costs are factored into each department's appropriation.
2. The amendments to the County Manager's recommended budget as approved by the Board of Commissioners (see Attachment A). Attachment A includes all adjustments approved by the Board of Commissioners from May 21, 2001 through adoption of the budget on June 11, 2001 and any subsequent adjustments approved through June 30, 2001.
3. The county-wide Ad Valorem tax rate and levy of 90 cents per \$100 valuation is hereby adopted.
4. A two percent tax discount is approved for early payment of county property taxes prior to September 1st of each year.
5. The Special Recreation tax rate and levy of 5 cents per \$100 valuation is hereby adopted.
6. The Fire Tax District rates as shown below are hereby adopted and taxes levied:

	<u>Tax Rate Per \$100 Valuation</u>
Beaver Dam Fire District	10 cents
Bethany Fire District	10 cents
Bonnie Doone Fire District	10 cents
Cotton Fire District	10 cents
Cumberland Road Fire District	10 cents
Eastover Fire District	10 cents
Godwin-Falcon Fire District	10 cents
Grays Creek Fire District	10 cents
Lafayette Village Fire District	10 cents
Lake Rim Fire District	10 cents
Manchester Fire District	10 cents
Pearces Mill Fire District	10 cents
Stedman Fire District	10 cents
Stoney Point Fire District	10 cents
Vander Fire District	10 cents
Wade Fire District	10 cents

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| | <u>Tax Rate Per \$100 Valuation</u> |
| Westarea Fire District | 10 cents |
| Special Fire Service District | 5 cents |
- The Cumberland County Board of Education's current expense appropriation is hereby adopted at \$51,243,000.
 - Encumbrances outstanding in the prior fiscal year will be included in the coming year (FY2002) budget.
 - Any shortfalls in revenues created by the above adopted budget shall be adjusted by a like amount appropriation from the fund balance of the County of Cumberland so that the 2001-02 fiscal year budget of the County of Cumberland is balanced pursuant to Chapter 159 of the NC General Statutes.
 - Storm Water Utility Fee: The monthly service charge per equivalent service unit under the Storm Water Public Enterprise Ordinance shall be One Dollar (\$1.00), effective on July 1, 1995 and shall remain in effect until subsequently amended by appropriate act of the governing body.
 - Solid Waste Management fee is hereby adopted at \$48.00 per household.

Adopted this 11th day of June, 2001.

James Martin, County Manager, then reviewed the adjustments to the budget (Attachment A).

MOTION: Commissioner Henley moved to adopt the budget ordinance as presented by the County Manager.

SECOND: Commissioner Council

DISCUSSION: Commissioner Henley stated this has been a difficult process. He said the Board has adopted a responsible, necessary budget, not a good budget. He said the county is unable to sustain our fund balance by taking money out each year to balance the budget. He noted the County has used \$58 million from the fund balance over the past several years; he said we cannot continue to do this. He said the cuts will create many difficulties in county departments for fiscal year 2002. He noted the commissioners were able to restore some money to county departments to address some critical needs. He said the Board did not include additional funds for the schools because what we had to work with was simply was not enough to make a big difference. However, the additional funds did make a difference in that we are able to restore 12 school nurses to the Health Department, 62 school crossing guards to the Sheriff's office, additional money for the Library, money to decrease the number of deputies that would have been laid off, etc. Commissioner Henley noted that since 1998, the county has given the schools \$36 million more than in 1998. He also noted that the County has paid more than \$30 million in school bond debt. In addition, Commissioner Henley said the \$5.7 million cut for fiscal year 2002 is only a 1.9% decrease in the total school budget, far less than other county departments have been asked to sustain. Commissioner Henley said he understands the cuts will cause us to back up a little, but they are necessary if we want to grow the county and the schools in a fiscally responsible way. Commissioner Henley reiterated the County's pledge, evidenced by a resolution, to give the schools fifty cents of every dollar should we get some relief from the State. He noted since we don't know if the State will give us some relief we can't budget anything at this point. Commissioner Henley said to raise property tax at this point will hurt our industry and will also affect our ability to recruit new industry. Commissioner Henley said the Board approached this budget carefully and thoughtfully in a fiscally responsible manner. He urged everyone to work responsibly to grow our county so we can provide funds that will impact our services in the future.

Commissioner Edge said this has been a difficult task for all of us. He thanked the Board for their efforts and said he believes this Board did the best they could under the circumstances. He said in approaching the budget he compared it to two things, one the rearing of children. You don't always know you are making the right decisions, you just hope you are. He also compared it to being a principal; sometimes you have to make decisions that are in the best interest of the entire school and not just one individual. He said he cares deeply about children as evidenced by his service in the school system, principal and member of the Board of Education. Commissioner Edge thanked staff and department heads for working through this very difficult situation. He noted you will have to deal with the morale problems that have and will occur as a result of the cuts. He said he hoped we would still be able to provide a level of services the public will appreciate. Commissioner Edge said the challenge begins tonight to stay on tract and live within the budget constraints. He noted

there will probably only be a 3% growth for fiscal year 2003. He urged everyone to lobby for the all important 1 cent sales tax.

Commissioner Baggett said this has been a difficult process for all of us. He noted everyone on the Board has been touched by this school system, some as employees, some as Board members and some who have graduated from the local system. He said he was hopeful that the State will see fit to at least pass the Clodfelter Bill which would provide $\frac{1}{2}$ cents in sales tax to the county. He said the County has committed to giving the school system 50 cents of every dollar we receive as a result of this tax if it passes. Commissioner Baggett said we have done the best we can do without raising taxes, which was not an option this year. He said none of the commissioners has any hard feelings toward the school board. He said it is their job to advocate for the school system and he would expect no less of them.

Chairman Warren thanked each member of the Board and county staff for their hard work.

VOTE: UNANIMOUS

MEETING ADJOURNED: 7:33PM

Clerk to the Board