

CUMBERLAND COUNTY BOARD OF COMMISSIONERS
PLANNING RETREAT
JANUARY 31, 2003, 7:00AM

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

Invocation: Commissioner J. Lee Warren, Jr.

Chairman Baggett called the meeting to order.

1. Review of the FY2004 Preliminary Budget

The Manager noted that the figures presented are very preliminary.

The base budget for FY2003 is \$200,100,457. Additions to that budget for FY2004 will bring the budget to \$229,220,286. Additions include school current expense, opening of new high school, FTCC funding, Detention Center salaries and operating, vehicles for Sheriff's Office, COLA for employees (3%), library books, LEC renovations, etc. Projected revenue for FY04 is \$218,210,689, less annexation (\$476,330) which brings projected available revenue to \$217,734,359. Fund balance appropriated at 3% will bring the deficit to \$4,609,319 (additional revenue needed to balance the budget).

In discussing the appropriation of money for county employees, the Manager has provided a 3% COLA in the FY04 budget. Commissioner Warren suggested a 5% COLA and that it be given to employees immediately. The consensus of the Board was to provide a minimum of 3% COLA for employees for FY04.

In discussing adjustments in salaries, the consensus of the Board was to do any adjustments when adopting the budget for the new fiscal year. Commissioner Council noted that DSS would still like to make some adjustments to salaries for its technology positions. Amy Cannon said any adjustments that will be made will be done for the new fiscal year. The County Manager said the State indicated it may give the county some assistance in determining salary adjustments for technology positions. Commissioner Blackwell inquired if the County recognizes degrees in the Sheriff's Office when hiring. The answer is no. However; the Sheriff's Office does provide for career development and provides monetary recognition.

2. Revaluation

The Chairman said he believed there would be only a modest increase in real estate values. The Manager said he believed it would be anywhere from 8% to 10%. The consensus of the Board was not to raise taxes and to adopt a tax rate that would reflect "revenue neutral" increases. The Manager pointed out that just because it is revenue neutral does not mean some citizens will not pay more in property taxes. The Manager also noted that determining a "revenue neutral" tax rate is not an exact science.

Chairman Baggett said he would like for the Commissioners to have a specific person to whom questions can be referred about the revaluation.

3. Water & Sewer Extensions

All is going well with water & sewer extensions in the county.

4. Animal Control Facility

Commissioner King expressed concern that the site under consideration in the Industrial Center is not as accessible to the public as he would like it to be. Board members pointed out that the county owns the site and water and sewer is available which are pluses for using that site. In addition, Commissioner Warren pointed out the difficulty in citing such a facility in a more populous area. Commissioner Henley inquired about additional cost of operating vehicles, etc. because it is further out of the downtown area.

The Board also discussed putting a Sheriff's training facility on the same site. In reply to a question, the Manager noted nothing really can be done until a site is selected. The Sheriff has money in his budget for the training facility (drug forfeiture money) that can only be used for capital-type projects.

The Manager said selection of a site should be the next step if the Board wants to pursue a new animal control facility and co-locate the Sheriff's training facility on the same site.

5. Merger of city and county services

a. Parks and Recreation – The City and County are waiting on a Resolution from Phil Boyle, Institute of Government, which will reflect the opinion that an Authority is the way to go for merging city and county parks and recreation departments. It was noted the Resolution should be forthcoming in February. As some of the municipalities do not want to participate in a joint recreation authority, Commissioner Blackwell said it would be well if those municipalities informed the county of its intentions. The manager noted that the City of Fayetteville spends about 9 ½ cents of its ad valorem tax on parks and recreation services for city residents. The City has been asked to identify in their program areas services that amount to 5 cents, which is the amount of the county recreation tax.

b. Community Development consolidation/merger

Commissioner King noted that the City Community Development Department is without a director. He suggested that we look at consolidating/merging the city and county departments. The consensus of the Board was to move forward and see if the City of Fayetteville might be interested in this effort.

Nena Wilson recommends that we have one program and it would take about 3 years to put in place.

6. Computer down time

Commissioner Warren noted a concern about the county's computer having so much down time. He noted it is particularly worrisome when tax payers are trying to list and pay their taxes. The Manager told the Board that the Director of our Information Services Department has retired. Commissioner Henley noted the importance of enough staff and appropriate funding to assure our computer system works as efficiently as possible.

7 Public Information Officer

Chairman Baggett noted that the county is without a Public Information Officer and the importance of having one to tell the county's story in a timely

and effective manner. He suggested that the county should also look at hiring a staff person to assist the public information officer. The consensus of the Board was that this position should report to the county manager, and that a job description be written to reflect and define the duties of this position. The consensus of the Board is that this position is needed.

7. Recycling

The Assistant County Manager, Cliff Spiller, shared some information with the Board about his trip to Pitt County to look at its recycling operation. The county built the facility (\$1.3 million) and is leasing it to ECVC. The site is large enough to stockpile items until the price is right to sell. They get trash from 11 counties and charge a tipping fee of \$10.32 per ton. Staff has also visited Davidson County which is a small operation (receives 10 tons a day). They charge a tipping fee of \$10.00 a ton. State prison supplies labor to separate the material at a payment of \$1.00 per hour.

Commissioner Blackwell noted he had spoken to someone from Orangeburg, SC, who is working on a facility to incinerate the garbage. Of course this is a costly option. However, it is believed that there may be some federal funds that would help in starting up such a project.

James Martin noted that he had received information just this week that we may be able to extend the life of our landfill by going back on top of an early cell that has been closed and add a new trench and clay and then add more garbage. If the state will allow us to do this, it could extend the life of our landfill for at least 15 more years.

8. Joint municipal meetings

Chairman Baggett inquired if the Board wants to continue its annual meetings with our municipalities. The consensus of the Board was yes. The first one of these meetings will be held the end of March and will probably be in Hope Mills. The Board asked that a new location be found for the Godwin, Wade, Falcon joint meeting.

The Board also suggested that a specific agenda be prepared addressing specific items to be discussed.

9. Sales Tax Formula

The County Manager noted he had a meeting on January 29, 2003 with the City Manager with the following offer from the City if the County changes the formula from per capita to ad valorem method of distributing the sales tax:

- The city will move forward with the annexation scheduled for June 1, 2003, but will make a one-time hold harmless payment in FY2004 to the County for its loss in sales tax revenue for the General Fund and the school system resulting from this phase of annexation (\$780,000);
- The hold harmless payment would be made in exchange for a one-year delay in the sales tax formula change (i.e., the formula change would be effective for the period beginning July 1, 2004);
- The city would not oppose a change in the formula effective July 1, 2004 if the County would not oppose legislation for a large annexation to resolve the urban sewer issue;

- The City through its utility funds and the County would explore funding partnerships to address county-wide water and urban sewer needs.

Commissioner Edge inquired about the legislation mentioned in Number 4 above. The City will do a big bang annexation and will need to ask the Legislature to give them an extension of time in which they have to supply city services to the areas they annex.

Chairman Baggett noted the big bang annexation is the area right outside the current city limits, west of Raeford Road all the way to the Hoke County line.

Commissioner Henley suggested that if the County is going to change the method of sales tax collection, it should not only look at holding the smaller municipalities harmless, but find a way to protect the City of Fayetteville. He said the one thing we don't want to do is force the City to raise property taxes.

Commissioner Henley suggested the Board look at the following scenario, if it is going to change the method of sales tax distribution:

1. Hold the small municipalities harmless (Wade, Godwin, Falcon, Hope Mills, Spring Lake, Linden, Stedman);
2. Pay off the Airborne Museum Debt (the County would give money to the Museum, who would in turn pay the City of Fayetteville \$2.25 million per year over a two-year period; this would not only put money back in the city coffers, but would allow the Museum to continue to operate and receive some federal monies;
3. Instead of waiting for the City to annex to extend sewer, PWC would go ahead and construct sewer in areas that are more urbanized, prior to annexation, and the county will make payments on the loan and interest for the construction of the infrastructure until the City annexes the property.

By doing 2 & 3, the County would in effect be holding the City of Fayetteville harmless to some degree when the sales tax distribution formula is changed. This would allow the City to continue its services to the citizens without raising ad valorem taxes.

The consensus of the Board was to run the numbers on the Commissioner Henley's suggestion and determine if it is feasible to proceed.

Commissioner Edge said he had some concerns about the county taking on the Museum debt. He said he did not think we should assume this responsibility, as the Museum was suppose to be built with donations.

Commissioner Council said she thought Commissioner Henley offered a creative approach to this matter.

Commissioner Warren noted that the Museum is the number one attraction in the State, and it should not close. He did express concerns about using all of the \$3.8 million the county should realize by changing the sales tax formula. He said he did not want to use it all, because of uncertainty in the economy at this time.

Commissioner Blackwell said he felt the Board should explore Commissioner Henley's suggestion. He also said he had heard that other counties and cities have worked out formulas to assure no one is hurt when annexation occurs. Staff will call the IOG to see if anyone knows of counties in North Carolina that have worked out these formulas.

Commissioner Warren noted that he would never support “big bang” annexations.

Commissioner Henley said he could not support the “big bang” annexation unless the infrastructure (water and sewer) is already in place.

Commissioner Edge said the Board should proceed cautiously. He noted the City has stopped contributing to non-profits. The County still contributes. He noted the state and federal governments are in tough financial times also, and he is concerned that some of their actions could affect us in a negative way financially.

MEETING ADJOURNED: 10:55AM.