

CUMBERLAND COUNTY BOARD OF COMMISSIONERS
JUNE 8, 2009, 8:30AM
SPECIAL MEETING
LEGISLATIVE DELEGATION

PRESENT: Chairman Jeannette Council
Vice Chairman Billy R. King
Commissioner Breeden Blackwell
Commissioner Kenneth Edge
Commissioner Ed Melvin
Commissioner Marshall Faircloth
James Martin, County Manager
Juanita Pilgrim, Deputy County Manager
Amy Cannon, Asst. County Manager
Grainger Barrett, County Attorney
Harvey Raynor, Deputy County Attorney
Sally Shutt, Communications Manager
Marie Colgan, Deputy Clerk
Candice White, Deputy Clerk Designate
County Staff: Tax Administration & Planning/Inspections
Members of the Legislative Delegation: Senator Tony Rand,
Representative Margaret Dickson, Representative Marvin Lucas,
Representative Rick Glazier, Representative Elmer Floyd
Press

Chairman Council called the meeting to order.

INVOCATION: Vice Chairman Billy King
PLEDGE OF ALLEGIANCE

The Legislative Delegation shared with the Board of Commissioners the expenditure/revenue issues currently facing the General Assembly as noted below:

Deep cuts in education, health care services and transportation projects will be made that will affect city and county budgets;
A revenue package of at least \$1 billion needs to be adopted along with the cuts;
This is not a one-year event, year two and three will be worse than the 1st year;
Recovery will not start to take place until 2013;
Cuts in education will include teacher assistants, assistant principals, aides, out of state scholarships, etc.;
If education cuts are approved without a revenue package, that would mean a \$30,000,000 cut to public schools in Cumberland County;
Universities and community colleges will see cuts that will affect employees at the rate of 13% cuts across the board the first year and 16% the second year;
Health, Mental Health and Social Services will see cuts beyond anything they have ever seen before;

Individual income taxes provide ½ of the state's tax structure, sales tax provides the next largest portion of our taxes;

Senator Rand said this downturn in our economy will require a "reordering of our government". The Delegation said that the failure to adopt a revenue package, along with the cuts that will still have to be made, would be disastrous.

The County Manager advised the delegation of the projected impact on Cumberland County of a bill co-sponsored by Representative Dickson that would defer taxes. This bill could affect County revenues as much as \$750,000 or more. The total value of homes currently in construction or for which there is an MLS listing is \$153,597,631.

In addition, another bill that would cease reimbursement payment to counties that house federal and state prisoners, could cost the County \$424,600 (projected amount).

The bill to increase the exclusion for veterans from \$45,000 to \$65,000 tax value, could based on current applications for that exemption, reduce tax values in Cumberland County by \$45,000,000. It is anticipated there will be many more applications.

Representative Lucas inquired of the Commissioners their thoughts on a sales tax increase. He noted there is some talk of a quarter cent sales tax up to 1 cent. One cent of sales tax will bring in a little over \$800,000,000. Sales tax will not be the only option in raising revenues; the State will look at service fees also. The consensus of the Board of Commissioners was that if the sales tax is an option, the State should levy it, not the County.

Senator Rand stated this economy will require a modernization and restructure of our revenue system, a "reordering of government".

Representative Floyd said all revenue sources are on the table. It is thought new revenue sources may be dedicated to a specific service.

Commissioner Blackwell asked the Delegation to support Representative Folwell's bill that requires property tax on vehicles be paid when you get the tags for your vehicles. Commissioner Faircloth noted that even some of the more economically disadvantaged states are ahead of us on this one.

Representative Lucas noted that it will take 61 votes in the House of Representatives to adopt a Revenue Package, but in a recent caucus there were only 55 votes to do so, and even those in favor didn't necessarily agree on the actual elements of such a Revenue Package.

Senator Rand suggested the County hold off adopting its tax rate at the last possible minute, because no one knows what other cuts will be made at the State level.

MEETING ADJOURNED: 9:45AM.

