

**Cumberland County Finance Committee Meeting
March 4, 2004, 8:30AM**

Members Present: Chairman Kenneth Edge
Commissioner Talmage Baggett
Commissioner John Henley
Others Present: James Martin, County Manager
Juanita Pilgrim, Deputy County Manager
Amy Cannon, Asst. County Manager
Cliff Spiller, Asst. County Manager
Grainger Barrett, County Attorney
Robert Howard, Interim Director, Solid Waste
Marsha Fogle, Clerk
Andrew Barksdale, Press

INVOCATION: Commissioner Talmage Baggett

1. Election of Chairman

The Committee voted unanimously to appoint Kenneth Edge, Chairman.

2. Selection of meeting date

The Committee voted unanimously to keep the same meeting date/time (1st. Thursday of each month at 8:30AM).

3. Approval of Minutes – March 11, 2003

MOTION: Commissioner Henley moved to approve.

SECOND: Commissioner Baggett

VOTE: UNANIMOUS

4. Discussion/consideration of proposed changes to the landfill tipping fees

Cliff Spiller, Asst. County Manager, and Robert Howard, Interim Director of the Solid Waste Department, told the committee that the department is losing revenue. In order to be able to maintain its current level of service, Mr. Howard recommends that the tipping fee be reduced from \$37.00 per ton to \$27.00 per ton, which would bring in about \$1,330,776 per year, based on estimated tonnage to be received.

In comparison with other counties, Cumberland County's tipping fees are more, i.e., Sampson County - \$33.50/ton; Harnett County - \$30.00/ton; Robeson County - \$32.50/ton. Mr. Howard noted the county is losing revenue to our surrounding counties.

Commissioner Edge noted that with the annexation that is about to take place the volume of waste coming to our Ann Street facility may be reduced, as the City of Fayetteville sends its waste to Sampson County.

During the discussion, Commissioner Henley inquired if the County could set tonnage fees based upon volume of waste coming into the landfill. Mr. Howard expressed his approval of this method of setting fees.

Staff will bring back to the Finance Committee in April some suggestions as to how a sliding fee scale might look.

5. Discussion/consideration to increase the fixed asset capitalization threshold

Amy Cannon, Asst. County Manager for Finance, asked the Committee to consider approval of a revised fixed asset policy which would include an increase from \$2,500 to \$5,000 to be implemented with the June 30, 2004 audit.

The current fixed asset policy requires that all equipment with a useful life that extends beyond one year and has an original unit cost of \$2,500 or more be identified and included in the fixed asset accounting system. According to the Government Finance Officers Association, the term "fixed assets" is used to refer to land, buildings, equipment and improvement. Capitalization is primarily a financial reporting issue. A government's principal concern in establishing a capitalization threshold is the anticipated needs of the users of the government's external financial reports offset by the difficulty and cost of maintaining capitalization thresholds which encompass numerous smaller fixed assets of low dollar value.

The surrounding counties of our size, Durham, Forsyth, Guilford, Moore, Wake, and Mecklenburg, have already increased to \$5,000. In addition, the City of Fayetteville is thinking about increasing from \$3,000 to \$5,000 and may do so if the County increases to \$5,000.

MOTION: Commissioner Henley moved to recommend the increase of the fixed asset threshold from \$2,500 to \$5,000, to the Board of Commissioners.

SECOND: Commissioner Baggett

VOTE: UNANIMOUS

6. Other matters of concern

There were no other matters for discussion.

MEETING ADJOURNED: 9:15AM