
Minutes
Cumberland County Board of Commissioners
June 19, 2000, 4:00 p.m.
Special Meeting - Budget Workshop
High Smith Rainey Hospital

PRESENT: Chairman Edward G. Melvin, Jr.
Vice Chairman J. Lee Warren, Jr.
Commissioner Talmage Baggett
Commissioner J. Breeden Blackwell
Commissioner Billy King
Commissioner Tom Bacote
Commissioner H. Mac Tyson II
Cliff Strassenburg, County Manager
James Martin, Deputy County Manager
Cliff Spiller, Asst. County Manager
Juanita Pilgrim, Asst. County Manager
Amy Cannon, Finance Director
Howard Abner, Budget
Grainger Barrett, County Attorney
Marsha Fogle, Clerk to the Board

INVOCATION: Commissioner H Mac Tyson II

Chairman Melvin called the meeting to order.

MOTION: Commissioner Melvin moved to adopt and approve the budget with a no tax increase, restoring merit pay for county employees.

SECOND: Commissioner Tyson

DISCUSSION: Commissioner King asked how it is possible to accomplish that. Chairman Melvin said the money would come from the Fund Balance, leaving the Fund Balance at 4.03 %. Commissioner King inquired if the Fund Balance had ever been that low. The County Manager indicated it has not. Commissioner King said he thought this motion was totally irresponsible and he thought the motion made by Commissioner Blackwell was more reasonable (6 cent tax increase). Commissioner Tyson pointed out that the 4.03% is a projection and noted the conservative estimates from the Manager's office. Commissioner Blackwell noted the County Manager and Finance Director has been telling the Board of the danger in moving the Fund Balance below the recommended 8%, especially since we have more school construction bonds to sell this year. Commissioner Blackwell said the bottom line is the majority of citizens voted for the school, FTCC and Library bonds which means the County has to fund the debt service on these bonds. He urged the Board of Commissioners to vote against this motion. Commissioner Bacote also noted the importance of keeping our AA rating for the next bond sale. Commissioner Bacote pointed out that Durham County has a 99 cent tax rate. He also noted that the State Legislature is not going to be doing anything to help us, such as passage of a 1-cent sales tax. He said we should not throw away everything we have worked so hard for. Commissioner Baggett said

he and the other commissioners have worked long and hard, and that an increase in the tax rate should be the most difficult function of local government. He said the County has considered every avenue possible to avoid a tax increase. Commissioner Baggett said he has decided that he cannot support keeping the present tax rate when new schools won't open and libraries may close. Equally important, are the citizens who are county employees who are depending on the funding of the Performance Pay Plan. Therefore, he said he could not support this motion. Commissioner Tyson noted his concern about major industries not coming to Cumberland County as a result of the tax increase. He said commissioners should have faith that the state and federal governments will come through with some money to help us. Commissioner Blackwell noted that the tax rate of a community is just one thing industry looks at when deciding to locate its business in a community. Other things are quality schools and quality of life issues, such as funding of the Arts.

VOTE: **FAVOR:** Commissioners Melvin, Tyson and Warren

OPPOSED: Commissioners Blackwell, Baggett, Bacote and King

MOTION: Commissioner Blackwell moved that the Board increase the ad valorem tax by 6 cents.

SECOND: Commissioner King

DISCUSSION: Commissioner Blackwell outlined how the additional 6 cents would be distributed:

- the school system would receive another \$3 million, bringing their total to \$6 million;
- ½ cent would go to pay for the Performance Pay Plan for county employees - \$665,484;
- ½ cent would go into the County's Contingency Operating line item - \$1,070,499;
- money would be available to buy 45 sheriff's vehicles without financing them - \$1,162,857; (buying them outright will save the County \$135,130)
- one cent will restore money to the fund balance.

Commissioner King inquired if the contingency money could be used to replace some of the \$500,000 cut from the library budget. Commissioner Blackwell said it could. Commissioner King asked how much is needed so libraries will not close. Jerry Thrasher, Library Director, noted he would need \$500,000. Cliff Strassenburg, County Manager, reiterated what the 6 cents increase in the ad valorem tax would fund: \$3 million for schools, restores money for the Performance Pay Plan, allows the County to purchase 45 vehicles for the Sheriff's Department and ½ cent will be used to restore some money to the Contingency Operating line item and 1 cent will be used to restore money to the fund balance. Commissioner King inquired about how many employees will actually benefit from the Performance Pay Plan. Amy Cannon, Finance Director, indicated 98% of the eligible county employees will benefit. Commissioner Tyson called for a point of order, noting that the Board of Commissioners passed a motion at the June 5 budget workshop approving a no-tax increase budget. He noted in order to reconsider that motion, a commissioner who supported the motion must make a motion to reconsider.

SUBSTITUTE:

MOTION: Commissioner Baggett moved to reconsider the Chairman's motion made on June 5 to adopt a no-tax increase budget.

SECOND: Commissioner King

VOTE: **FAVOR:** Commissioners King, Baggett, Blackwell, and Bacote

OPPOSED: Commissioners Warren, Tyson and Melvin

JUNE 5 MOTION: Commissioner Melvin moved to adopt a budget with no tax increase.

SECOND: Commissioner Tyson

DISCUSSION: Commissioner Warren said he knew how he could come up with some money for the school system and still not pass a tax increase. He suggested that the Board look at freezing vacant positions for 180 days instead of his original proposal of 120 days. This would save the County over \$1.4 million and give us additional money for the school system and public library system. Commissioner Tyson inquired if the maker of the original motion to adopt a 6 cents tax increase would amend his motion to add this proposal. No amendment was made to the motion.

Commissioner Baggett inquired if the additional \$3 million to the schools would keep us out of court. Commissioner Blackwell said he had not discussed this issue with members of the Board of Education, but he hoped this additional money would keep us from going to court.

Commissioner Blackwell also noted there will be some additional low-wealth money available state wide. In addition he said there may be some more impact aid money coming down from the federal government, albeit not much.

Commissioner Melvin said he hoped the County would continue to work on getting the 1-cent sales tax, and if that should happen he hopes the ad valorem tax rate will be reduced.

Commissioner King noted the importance of citizen support for the 1 cent sales tax, urging them to contact the legislative delegation, just as they have been doing concerning the county budget.

Commissioner Tyson noted the federal budget has gone to the Senate and has yet to be adopted. He also said he thought the County would be in a better position for getting federal and state monies if we don't increase our ad valorem tax rate.

VOTE: FAVOR: Commissioners Melvin, Warren and Tyson

OPPOSED: Commissioners Blackwell, Bacote, King and Baggett

**VOTE ON
COMMISSIONER
BLACKWELL'S**

MOTION: FAVOR: Commissioners Blackwell, Bacote, King and Baggett

OPPOSED: Commissioners Warren, Melvin, and Tyson

Cliff Strassenburg, County Manager, reviewed the Budget Ordinance and recommended adoption.

BUDGET ORDINANCE ADOPTION FY 2001

The Board of Commissioners hereby adopts and enacts the proposed 2000-01 fiscal year budget as recommended by the County Manager with the amendments incorporated herein as the County of Cumberland's budget for FY2000-01 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 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 Attachments A). Attachment A includes all adjustments approved by the Board of Commissioners from June 1, 2000 through adoption of the budget

on June 19, 2000 and any subsequent adjustments approved through June 30, 2000.

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>Approved 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
Weatarea District	10 cents
Special Fire Service District	. 5 cents

7. The Cumberland County Board of Education's current expense appropriation is hereby adopted as follows:

	<u>REVENUES</u>
State Appropriation	\$2,500,000
Impact Aid Funds	2,600,000
ROTC	270,000
Fort Bragg Schools	0
Indian Education Art	94,378
Fines and Forfeitures	1,300,000
Rental of School Property	90,000
Interest Earned	513,500
Summer School Fees	160,000

Indirect Cost	1,300,000
Sales Tax Revenue	0
County Appropriation	56,983,742
Fund Balance Appropriation	4,000,000
TOTAL REVENUE	69,811,620

	EXPENDITURES
Current Expenses	<u>\$ 69,811,620</u>

8. The Cumberland County Board of Education's capital outlay budget appropriation is hereby adopted and allocated as to the project as listed below:

REVENUES

NC School Bond Proceeds	\$46,354,498
Sales Tax ½ Sch Art 40	2,876,450
Sales Tax ½ Sch Art 42	6,000,000
NC School Building Fund	2,500,000
NC School Bonds to be Provided	8,898,400
TOTAL REVENUE	\$66,629,348

EXPENDITURES

Transfer to General Fund (Debt Service)	\$ 4,631,035
CATEGORY I	57,947,898
CATEGORY II	3,765,415
CATEGORY III	285,000
TOTAL EXPENDITURES	\$66,629,348

9. The County's Pay Plan includes performance pay in an amount equal to \$1,764,012 to be effective January 1, 2001.

10. Effective July 1, 2000, all current vacant positions and any positions that become vacant during the year, excluding the Department of Social Services, Health Department and all Separate Funds, are hereby frozen for 120 days. The Board of Commissioners' Personnel Committee may establish appropriate criteria for exemptions based on critical needs of the county to be approved by the County Manager.

11. Encumbrances outstanding in the prior fiscal year will be included in the coming year (FY2001) budget.

12. A county general litigation fund is included containing \$300,000 to be used to pay outside counsel fees, claims, judgments, and costs.

13. 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 2000-01 fiscal year budget of the County of Cumberland is balanced pursuant to Chapter 159 of the NC General Statutes.

14. Solid Waste Management fees are hereby adopted.

A. Solid Waste Collection Fees:

(1) Container site user fees	Not Imposed
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B. Solid Waste Disposal Fees:

(1) Household fees	\$48.00
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(2) Yard Waste: i.e., limbs, brush, etc. Not to exceed 3 inches in diameter, 3 feet in length, amount not to exceed 4 cubic yards per household per load per week.	Not Imposed
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C. Collector's Fee (per ton):	\$37.00
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D. Collector's fee in the event of scale failure charged per vehicle:

(1) Automobiles, station wagons, passenger vans	\$4.00
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(2) Pickup trucks, commercial vans, towed trailers (single axle)	\$10.00
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a. With shingles	\$43.00
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(3) Small flatbed trucks (single axle), step van:	\$31.00
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a. With shingles	\$43.00
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(4) Large flatbed trucks (double axle), fifth wheel trailers:	\$141.00
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a. With shingles	\$192.00
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(5) Roll-off trucks (container boxes)	
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a. 20-yard box or smaller	\$282.00
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b. 21-30 yard box	\$220.00
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c. 31-40 yard box	\$120.00
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d. Compactor Boxes (all)	\$210.00
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(6) Compactor Trucks	\$380.00
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E.	Inert Waste (Rubble-Clean)(per ton)	\$23.00
F.	Collector's special handling fee, charged per vehicle, trailer or container load	\$100.00
G.	Scrap tire disposal fees	
	(1) Automobile tire, manufacturer fee – Per tire	\$1.00
	(2) Charge for rims and rim removal – per tire	\$1.00
H.	Resource Recovery Fees	
	(1) All solid waste commingled with designated recyclable materials, per ton	Not imposed
	(2) Unacceptable designated recyclable materials deposited at landfill, per ton	Not imposed

15, 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 July 1, 1995 and shall remain in effect until subsequently amended by appropriate act of the governing body.

MOTION: Commissioner King moved to adopt the Budget Ordinance as outlined above.

SECOND: Commissioner Blackwell

VOTE: FAVOR: Commissioners King, Blackwell, Bacote, & Baggett

OPPOSED: Commissioners Tyson, Warren, and Melvin

MEETING ADJOURNED

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