
Minutes
Cumberland County Board of Commissioners
February 23, 2001, 5:30 p.m.
Special Meeting - Planning Retreat
Cape Fear Valley Health System Board Room

PRESENT: Chairman J. Lee Warren, Jr.
Vice Chairman J. Breeden Blackwell
Commissioner Talmage Baggett
Commissioner Kenneth Edge
Commissioner Jeannette Council
Commissioner Billy R. King
Commissioner John Henley
James Martin, County Manager
Juanita Pilgrim, Deputy County Manager
Cliff Spiller, Asst. County Manager
Amy Cannon, Asst. County Manager
Grainger Barrett, County Attorney
Tonya Harris-Council, Public Information Officer
Marsha Fogle, Clerk to the Board
Press: Andrew Barksdale (Fayetteville Observer Times)

Dinner: 5:30PM – Doctors Dining Room

Start of meeting: 6:15PM

INVOCATION: Commissioner Talmage Baggett

1. Overview of FY2002 Budget

County Manager James Martin gave an overview of the FY99 and 00 budgets as follows:

Fiscal Year 1999

Recommended tax increase	15.5 cents
Adopted tax increase	9.0 cents
Fund Balance appropriated	14.8 million

Budget increased from 181.7 million to 197.5 million

TMA audits generated one-time \$5.0 million

No fund balance was actually used

Fiscal Year 2000

Tax Rate remained same (84 cents);
 Budget increased from \$205.3 million to 212.7 million;
 Schools received \$6.0 million of the \$7.4 million increase;
 County departmental budgets decreased;
 \$21.4 million appropriated from Fund Balance (Increase of \$6.6 million from previous yr.)
 Projections indicated the \$7 million increase cannot be sustained with recurring revenue
 \$6 million school increase + \$2 million debt service funded by fund balance & decrease in county departments;
 Actual expenditures + encumbrances exceed revenues collected by \$5.9 million.

Fiscal Year 2001

County wide budget	\$583,295,555
\$108,665,161 (22.9% increase)	
General fund budget	\$224,947,587
\$12,247,383 increase (5.8%)	
Tax Rate	90 cents
6 cent increase	
Appropriation of fund balance	\$22,461,074
Amount of fund balance spent	\$17,745,486
Fund balance available July 1, 2000	\$44,579,139
FY2001 projected fund balance to be spent	\$17,745,486
Projected fund balance June 30, 2001	\$26,833,653

FY2002 Budget Projections

County Manager Martin noted these projections are based on what we know right now and do not include departmental budget requests for fiscal year 2002:

Base budget based on modified 12/31/00 budget \$225,448,310

Two scenarios:

	A	B
Performance Pay (Jan-June 02)	\$ 665,484	0
COLA	1,400,000	0
Animal Control Facility (construction estimate)	2,200,000	0
Animal Control Staffing/operating Detention Facility	222,673	0
Personnel (86) phased in Jul – Feb)	2,206,830	\$2,206,830

General operating – 6 mos	666,650	666,650
Maintenance supervisor – 9 mos	37,500	37,500
Sheriff vehicles (48)	1,178,300	219,317
Health Insurance	1,175,000	1,175,000
Operating expenses – 2 new schools	1,463,250	1,463,250
Medicaid	3,300,000	3,300,000
Aid to Aged/Disabled	100,000	100,000
Utilities	250,000	250,000
Other	500,000	500,000
Total Additions:	\$15,365,687	\$9,918,547
FY2002 projected expenditures	\$240,813,997	\$235,366,857
FY2002 projected revenue	\$207,815,588	\$205,815,588
Less: Annexation	(215,853)	(215,853)
Projected available revenue	\$207,563,735	\$207,563,735
Projected deficit before fund balance appropriated:	(\$33,250,262)	(\$27,803,122)
Projected fund balance 6/30/01	\$ 26,833,653	\$26,833,653
Projected expenditures		
Fund balance available for appropriation after backing out 8%	\$ 7,568,533	\$ 8,004,304
Fund balance available after appropriation (8%)	\$19,265,120	\$18,829,349

Note: 1 cent on the ad valorem tax rate = \$1,186,721

Chairman Warren said that we need to look at preparing the FY2002 budget - revenue neutral plus natural growth and then determine what can be added back in.

MOTION: Commissioner Baggett moved to direct the county manager to prepare the budget based on a tax rate of 90 cents.

SECOND: Commissioner Henley

VOTE: UNANIMOUS

Commissioners discussed some options such as a freeze on hiring, delay of detention center opening, delay of selling bonds, elimination of vacant positions, etc.

The County Manager offered some potential options for the Board's consideration:

- extend the hiring freeze to the remainder of the fiscal year;

- eliminate all non-essential travel & training not registered for as of 2/23/01 (except mileage reimbursement);
- freeze discretionary spending;
- eliminate vacant positions;
- increase fees and/or establish new fees;
- reduce all agencies/county departments by .% across the board;
- reduce or eliminate non-mandated programs or services;
- increase ad valorem tax
- any combination of expense reductions and revenue increases.

Mr. Martin said that management recommends immediate approval of options 1,2,&3.

MOTION: Commissioner Council moved to

1. extend the hiring freeze policy from the current “120 days” to “the remainder of the fiscal year” (6/30/01)
2. eliminate all non-essential travel and training not registered for as of 2/23/01 (except mileage reimbursement)
3. and freeze discretionary spending.

SECOND: Commissioner Baggett

DISCUSSION: Chairman Warren noted that some small departments may be adversely affected if #1 is approved.

**AMENDMENT
TO THE**

MOTION: Commissioner Henley moved that no department/entity be exempt from 1,2, or 3.

SECOND: Commissioner Blackwell

DISCUSSION: An appeal process will be set up to allow department heads to make an appeal to the County Manager if they have a position they feel they need to fill. Once the Manager makes a decision, it may be appealed to the County Personnel Committee, and then may go forward to the Board of Commissioners.

VOTE: FAVOR: Commissioners Henley, Blackwell, Baggett, King, Council, and Edge

OPPOSED: Chairman Warren

**VOTE ON THE
ORIGINAL**

MOTION: (includes the above amendment)

FAVOR: Commissioners Henley, Blackwell, Baggett, King, Council, and Edge

OPPOSED: Chairman Warren

Commissioner Henley asked if we could get information from other counties of similar size regarding cost of operations, personnel levels, etc. that we can use as a benchmark to see how we stack up.

Meeting Adjourned: 9:00PM