

CUMBERLAND COUNTY BOARD OF COMMISSIONERS
MAY 31, 2001, 5:30PM
SPECIAL MEETING – BUDGET WORKSHOP
ROOM 564, CUMBERLAND COUNTY COURTHOUSE
FAYETTEVILLE, NC

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

INVOCATION: Commissioner Breeden Blackwell

1. Board of Education

Diane Wheatley, Chairman, noted she would be unable to remain during the whole meeting, because of a prior commitment to speak at the commencement of the Finance Academy. She did note that a \$5.7 million cut in education would be disabling to the children of Cumberland County. She indicated it was very difficult to submit a no-growth budget, as has been done. She asked the board not to undo all of the progress that has been made in the last several years.

Dr. William Harrison, Superintendent, told the Board that there will be a \$1 million decrease in low wealth funding, a state decrease of \$585,000 which will affect 8 teachers and 13 teacher assistants in elementary education, and a \$100,000 reduction in Remediation. Other anticipated state decreases total \$1,782,000.

Dr. Harrison noted that the school system would need \$60 million from the county just to stay even. He said the school system has absorbed \$3 million and is requesting the county to fund them at the same level as last year, \$56.9 million. He reviewed the cuts they made to get to the \$56.9 million as follows:

\$495,000	15 elementary teaching positions
\$330,000	10 secondary teaching positions
\$125,000	3 media specialists
\$400,000	20 school office personnel
\$600,000	instructional supplies
\$130,000	Exceptional Children's Programs
\$125,000	Central Services
\$ 21,713	Finance
\$190,558	Transportation
\$ 47,878	Psychological Services

Dr. Harrison said Cumberland County Schools receive 25% of the total county budget and have been asked to account for 50% of the \$11.8 million total cut in the county budget.

Dr. Harrison expressed concern that in making the 10% cut, the local per pupil expenditure would go down to about \$1,000 (currently at \$1,232.985). He also noted the difficulty in recruiting teachers to come to Cumberland County. The cuts mean larger classrooms and/or combination classes. Dr. Harrison noted that over the past several years the county commissioners have funded the school system at a level that is allowing them to see progress, i.e, reading scores, math scores, SAT scores, ACT scores and end of grade testing scores are rising. He also pointed out that the gap between White and African-American students in Math and Reading shows no difference; in fact we are well below the state average.

Dr. Harrison noted the school system has been very effective in receiving grants over the past several years.

Dr. Harrison noted that information concerning the number of administrators to staff is incorrect. In fact, he stated that Cumberland County has one of the lowest number of administrators as compared to the percentage of staff, based on a report from the John Locke Foundation in 1998.

If the school system were to have to meet the county's direction of a 10% cut, these additional cuts would have to be made:

6 art/music teachers
Ideal/Drop-out/Safe Schools positions

2 schools within a school programs
 10 office personnel – high/middle schools
 medication clerks in elementary schools
 3 psychologists
 14 Exceptional Children's teachers
 22 assistant principals
 Half of library books fund
 Wellness Program
 Half – Assoc. Superintendent's salary
 Initially Licenses Teacher coordinator
 15 custodians
 4 maintenance positions/supplies
 Bridges program contribution

5 Strings teachers
 12 middle school teachers
 7 middle school resource officers
 Middle School athletics
 5 Workforce Development teachers
 12 Choice school teachers
 2 English as Second Language teachers
 Half – Planning and development funds
 Local staff development
 Director of Elementary Education
 Exceptional Children's supervisor
 Workforce Development coordinator
 MetroVisions contribution

Dr. Harrison said this budget would turn us backwards.

Rick Glazier, School Board Member, told the Board of Commissioners that a sustained commitment of resources is the only way we can progress. He noted not everything can be cut equally. He also expressed concern about the opportunities available in Cumberland County for our graduates when they graduate. Mr. Glazier noted the budget submitted by the school board uses \$5.5 million of their undesignated fund balance, which is estimated to be \$13.7 million. He noted that \$5.5 million of that \$13.7 is designated for the current fiscal year. The Board has designated another \$5.5 for FY03. Mr. Glazier noted that the NC General Statutes require the County to adequately fund the school system and requires it to fund it at least \$56.9, which is the current year appropriation. Mr. Glazier said they did not want to go to court, they will. The school's fund balance as of 6/30/01 is anticipated to be \$6.7 million.

Commissioner Talmage Baggett asked the Board to excuse him as he has committed to speaking at a FFA event at Cape Fear High School. Mr. Baggett said he would return to the meeting.

Chairman Warren noted the County has increased funding for the school system 100% since 1992.

Commissioner Henley said he was proud of the school system and the accomplishments that have been made. However, he noted that the reality is in the last three years the County has used \$58 million of its Fund Balance to help fund our needs and that \$36 million has gone to the schools. He said his concern is if we don't address our problem this year, we'll be looking at the same situation next year. Commissioner Henley said we can't sustain what we have been doing. He noted he is cautiously optimistic about a ½ cent sales tax being considered by the State of North Carolina. Commissioner Henley suggested that the school system use their fund balance to bridge the difference between what the county has appropriated and what it needs. He said if the sales tax comes through the county will give the schools 50 cents of each dollar we get. Raising taxes, he said, will have a direct effect on industry who wants to locate in Cumberland County. He pointed out that Cumberland County is growing slower than other counties around us. One reason for that is because of our high tax rate.

Commissioner Council said that the County is in a mess financially, as is the state and some national programs. She noted the Board has voted not to raise property taxes this year, and she does not anticipate they will do so unless something unexpected happens. Commissioner Council said that if new money comes in her preference is to place the money where it will benefit children. She asked the Board of Education members for their suggestions about what the County can do given their financial situation.

Commissioner King inquired how much money the school system received after the adoption of the current fiscal year budget. The response was \$430,000.

Commissioner Edge inquired how much of the fund balance appropriated for this current year (\$5.5 million) would actually be used. The response was \$1.5 million,

Chairman Warren noted that some cuts go deeper than others. He pointed out that county departments are operating at the 1997 level while at the same time school funding has been increased by \$18 million over the past three years.

Rick Glazier suggested the county use more of their reserve funds and increased the tax rate by 2 cents for FY02 and another penny for fiscal year 03.

Commissioner Edge asked how many classes have under 10 students. The response was several. Commissioner Edge said "we can't offer everything to everybody". Commissioner Edge noted that the Library System has been cut every year; the County Health Department has made drastic cuts but is looking at creative ways to provide services more efficiently. He said the schools must do the same. He said if the County receives additional funding from the State, we could use it to help the schools.

Commissioner Blackwell thanked the school board members for being an advocate for what they believe in. He said that the tax rate was increased last year by 6 cents. The school system received \$3 million. He noted that the Mental Health Department has the largest waiting list they have had in

32 years, school nurses have been cut as have crossing guards. He said the point is “it is a tough time for everybody”. Commissioner Blackwell said he had attended a meeting in which some of the plant managers of the large plants in this county told him they can’t stand an increase in the tax rate. In addition he said he attended a function at which there were 300 senior citizens who also said please don’t raise our taxes. He noted that we call ourselves a low wealth county. He said the per pupil expenditure is a moving target. He pointed out that of the low wealth counties, Cumberland County has the highest per pupil expenditure. He also said we should be comparing apples with apples, pointing out that Scotland County’s merger agreement requires them to fund the per pupil expenditure at the state level.

School Board member Milton Yarboro said he was distressed about the cuts being made all over the county.

Commissioner Henley said we need to aspire to be the best. He said Orange County’s tax rate is in the seventy-cent range because of revaluation. He said the problem with revaluation here is we will realize less than a 5% increase in property values. He said he attended a meeting at FAEDC yesterday – they do not want a tax increase, as it will kill us in recruiting new industry. Commissioner Henley said he is committed to giving the school system what they have requested, if the state comes through with funding or the ½ cent sales tax for counties. He urged the school system to use their fund balance to do what they need to do.

Chairman Warren thanked the School System for coming to the meeting.

RECESS – 10 minutes

Chairman Warren reconvened the meeting.

MOTION: Commissioner Blackwell moved to go into Closed Session for Attorney-Client Privilege.
SECOND: Commissioner Henley
VOTE: UNANIMOUS

MOTION: Commissioner King moved to go back into Open Session.
SECOND: Commissioner Henley
VOTE: UNANIMOUS

RECESS – 10 minutes

Chairman Warren reconvened the meeting.

MOTION: Commissioner Henley moved to adopt the following Resolution.
SECOND: Commissioner Council
VOTE: UNANIMOUS

**A Resolution of the Cumberland County Board of Commissioners
Proposing a method to resolve Schools’ Budget Needs**

The Board of Commissioners respectfully requests the Board of Education to use its \$6.7 million in unrestricted fund balance estimated for 6/30/01 to meet the funding needs of the school system’s budget for the children of Cumberland County.

The Board of Commissioners is not at this time willing to raise property taxes because of the likely effect on county citizens, senior citizens, the threatened loss of industry and jobs, and a more difficult environment for economic development.

Also, if the school system takes the county to court and should the court force the county to raise property taxes to further fund the school system, it would require a five cent property tax increase and be detrimental to the county’s growth.

THEREFORE, the Board of Commissioners respectfully requests the school system appropriate a sufficient amount from its fund balance for its FY02 budget to bridge the \$5.7 million gap need to meet the school system’s current proposed budget level.

And the Board of Commissioners in turn commits to distribute to the school system 50% of all net increases from additional revenue sources authorized by the state legislature up to the school system’s FY02 budget request.

Commissioner Henley passed out a document that outlined some savings in the Sheriff’s department if the Sheriff will agree to buy only 16 automobiles in the new fiscal year. The savings will allow the Sheriff to retain 17 deputies that would otherwise be laid off.

Commissioner King suggested that the DARE program is questionable and should be looked at. The cost to the county for this program is \$303,000.

Commissioner Edge inquired if the Board can designate funds specifically in the Sheriff's budget. The response is yes we can.

Commissioner Blackwell noted that New Hanover is raising their taxes 8 cents. They are also requiring their employees to take 2 days off without pay over the year. This will save them about \$400,000. He suggested we look at this option. Ten days off would give us \$3 million with which we could save some jobs.

Commissioner King said he wants to save as many county jobs as possible.

Commissioner Council suggested the county manager take some of these suggestions and bring back some recommendations to the Board.

Chairman Warren and Commissioner Edge thanked the county staff for their hard work and patience during this difficult time.

Commissioner Council said she had received some a couple of suggestions about how to address our financial woes, i.e., hire an industry recruiter and give the Crown Coliseum to the City of Fayetteville!

MEETING ADJOURNED: 9:30PM