

CUMBERLAND COUNTY BOARD OF COMMISSIONERS
APRIL 10, 2003, 4:00PM
EMERGENCY MEETING

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

The Chairman called the Emergency Meeting to order and announced that the purpose of the meeting is to consider an offer made to the Board of Commissioners by the Fayetteville City Council at the Council's Special Meeting of March 31, 2003 relating to the Board of Commissioners' consideration of a resolution regarding adoption of the ad valorem method of distribution of local option sales tax proceeds, and any response of the Board of Commissioners relating to that offer for transmittal to the Fayetteville City Council's meeting of Monday, April 14, 2003.

The County Manager recommended the Board of Commissioners reject the City's offer in the amount of up to \$800,000 and that the County offer the following proposal:

- That the City transfer to the County the amount of no less than \$2.3 million in fiscal year 2004. This amount represents fifty percent of the City's projected annual loss of \$4.6 million should the Board adopt the ad valorem method of distribution. The City shall transfer these funds to the County in twelve equal monthly installments payable by the 15th day of each month during fiscal year 2004; and
- That the County Manager and the City Manager negotiate on behalf of the governing boards to develop strategies to mitigate the effect of the City's growth on the County's revenues and services. Approval by both governing bodies should occur not later than October 31, 2003; and
- That, if these strategies are not jointly approved by both governing boards by that date, the Council acknowledge and understand that the Board will adopt the ad valorem method of distribution effective with the fiscal year beginning July 1, 2004.

The Manager requests that the City advise the Chairman of the Board of its formal action on our proposal by 3:00 PM, Tuesday, April 15, 2003.

The Manager noted that if the City accepts our proposal, staffs will start to prepare an interlocal agreement for presentation to and adoption by both governing boards.

The Manager reviewed the comparative effect of the ad valorem tax method vs. the above county proposal retaining population method. If the City accepts the proposal above, it would prevent a revenue loss of \$3,122,205. It would give a net increase to the County of \$1,532,286.

Commissioner King inquired about the October 31, 2003 date in our proposal. The Manager said he selected that date because of the fact that there will be an election in the City, and he felt the current City Council should be the one to deal with this issue.

Commissioner Henley inquired if the County has talked with the City about this latest proposal. The Manager said he has not because he wanted to wait to see if the Board of Commissioners would adopt it.

Chairman Baggett read a letter from the Mayor dated today which indicated the City was already aware of the figures the Manager was proposing.

Commissioner Henley said that although he was disappointed in the fact that there were no real negotiations between the City and County he could support the proposal, because the \$2.3 million is for one year.

Commissioner Council noted her concern about whether or not there is money in the county budget to take care of county employees. She noted the layoffs of over 100 county employees a couple of years ago, plus the fact that county employees have received no raises for several years. She said she is holding the County Manager responsible to assure money is available to address the needs of our employees and services to our citizens. The Manager noted that the Board's policy is to take no more than 3% from the County's General Fund in order to balance the County's budget. He said that would amount to \$6.6 million for FY04. He said he expected money for raises would be available, but he could not absolutely assure that. Commissioner Council noted that because of the war, families in Cumberland County are going to be looking to the County for assistance. The Manager noted he was cognizant of the Board's number one priority of raises for its employees.

In response to a question about the 3:00PM, April 15 deadline for the city to respond to the County's proposal, the Manager said the Mayor had requested a prompt response and if we receive a response from the City by that time and date, he can include that information in our packet material for our April 22nd meeting.

Commissioner Edge said that this offer extends the right arm of cooperation to the City. He noted the importance of item #2, which directs the managers to negotiate on behalf of the Boards to develop strategies to mitigate the effect of the City's growth on the County's revenues and services. If there is no agreement between the two entities the County will lose as well as the Board of Education. Commissioner Edge said it is time to move forward with a plan to improve city and county services. He also noted that this issue has been on the table for 14 months. The Comprehensive Planning Committee, at its last meeting a month ago, submitted a recommendation with only three members present. He said if there is no more interest than that, then something is lacking. Commissioner Edge said he would support the proposal submitted by the County Manager. He said he hoped the City would compare the losses with this plan and the losses if the County changes the sales tax allocation method. He said the real challenge is that we get together and come up with a plan by October 31 to settle this issue.

Commissioner Blackwell, via telephone, noted his disappointment that there had been no one-on-one meetings between the City and County. He said he thought the proposal was a little unreasonable, and he did not think the City would take it. He noted concern that the only contact between the City and County has been through e-mail, telephone and letters. He also noted that Durham, Forsyth, Pender, Brunswick and Caldwell County have all dealt with this issue. He suggested that we should be talking to these counties to see how they addressed the issue. Referring to a date in the Mayor's letter of 1994 where the Mayor said the Commissioners have not lived up to their agreement to help finance water and sewer construction in the urbanized areas during the past decade, he said he was on the City Council at that time, and remembered such a meeting.

Commissioner Warren said it is important that we work with the City on this issue. If we change the method of sales tax allocation, the City will lose \$4.6 million. He said the \$2.3 million offer will meet them half way.

MOTION: Commissioner Warren moved to follow the recommendation of the County Manager as noted above.

SECOND: Commissioner King

DISCUSSION: Commissioner Henley said he was disappointed that we have not had better communication with the City on this issue. He said it was clear to him that the County had agreed to participate with the City and PWC in getting the water and sewer extended into the unincorporated areas of the county. He also noted that the sales tax being realized by the City as a result of annexation did in fact help the City with infrastructure needs. He said county representatives should offer to be present at the City's meeting on April 14 to explain our proposal and our thinking on this matter. Commissioner Blackwell, via telephone, said he would support the proposal with reservations. He suggested that the Chairman of the Board appoint 3 commissioners and ask the Council to appoint 3 council members to meet and discuss this proposal. He said "human interaction" needs to take place here. Chairman Baggett noted that the Mayor's letter talks about the County failing to help provide infrastructure. He noted that because PWC is not able to get money from the Rural Center, the County has applied and received almost \$20 million in grants which has helped to provide water/sewer services in the Linden area, Stedman area,

the NORCRESS project, Kelly Hills area and Eastover area. He said this is a significant amount of money that the County has put into the infrastructure. He said it is hard to image a county in recent years that has made any more progress than this county has done to develop utility service county-wide.

VOTE: UNANIMOUS

The County Attorney noted that if a committee is appointed to meet with the City, it would be subject to the Open Meetings Law. The Chairman said he had no problem with the Press attending such a meeting.

MOTION: Commissioner Warren moved to adjourn.

SECOND: Commissioner Edge

VOTE: UNANIMOUS

MEETING ADJOURNED: 5:00PM.

Clerk to the Board