

CUMBERLAND COUNTY BOARD OF COMMISSIONERS
MAY 25, 2010 – 5:30 PM
COURTHOUSE - 117 DICK STREET - ROOM 118
SPECIAL MEETING FOR BUDGET PRESENTATION

PRESENT: Chairman Billy R. King
Commissioner Jeannette Council
Commissioner Kenneth Edge
Commissioner Marshall Faircloth
Commissioner Ed Melvin
Commissioner Phillip Gilfus
Commissioner Jimmy Keefe
James Martin, County Manager
Juanita Pilgrim, Deputy County Manager
Amy Cannon, Assistant County Manager
Rick Moorefield, County Attorney
Sally Shutt, Communications Manager
Howard Abner, Assistant Finance Director
Kelly Autry, Finance Department
Marie Colgan, Clerk to the Board
Candice White, Deputy Clerk to the Board

Chairman King called the Special Meeting to order.

Invocation – Rick Moorefield

Pledge of Allegiance

Chairman King recognized James Martin, County Manager. Mr. Martin presented his budget message and a power point presentation of the proposed budget for FY2010-2011. Mr. Martin advised the proposed budget is a “needs-based” budget and it was prepared using the following guiding principles that were discussed at the Board’s Planning Session in February:

- Maintain fiscal integrity through compliance with previous policies approved by Board
- Avoid employee furloughs and reductions in force
- Continue services to citizens at current levels
- Recalculate revenue neutral tax rate
- Encompass the goals, vision and direction as established by the Board

BUDGET HIGHLIGHTS

- General Fund budget \$285,152,748
 - \$12,346,267 (4.53%) increase

- Annually adopted funds \$401,952,412
 - \$4,453,486 (1.12%) increase
- Multi-year capital projects \$110,802,500
 - \$19,116,372 (20.85%) increase
- County-wide budget \$512,754,912
 - \$23,569,858 (4.82%) increase
- Recalculated revenue neutral rate 73.4 cents
- 1.5 cents additional tax rate to accumulate funds for jail expansion & future operating costs
- In total, current tax rate decreased 1.7 cents to 74.9
- Each fire district's tax remains at 10 cents
- Special Fire District tax increased ¾ cents to 1¼ cents
 - Additional tax to fund 5 low wealth districts
 - Funds to be used for staffing
 - 30% of the total to Fire Chiefs' Association rather than the current 40% for that purpose
- Recreation tax remains at 5 cents
- COLA – not included
- 401K contribution – not included
- County school current expense \$76,220,676
 - \$1,940,427 (2.61%) increase
 - Schools receive 37.55 cents of tax rate per funding agreement
- FTCC current expense \$8,841,568
 - \$267,905 (3.12%) increase
- Child Support Enforcement
 - Effective July 1, State eliminates funding for State operated offices
 - First year budget = \$3,817,612
 - 66 employees
 - Net cost to the county after federal reimbursement = \$1,033,938

County Wide Budget

• General Fund	\$285,152,748	55.61%
• Mental Health	31,411,618	6.13%
• Special Revenue	45,536,124	8.88%
• Capital Projects	110,802,500	21.61%
• Enterprise	21,035,479	4.10%
• Internal Service	18,466,443	3.60%
• Permanent & Pension	<u>350,000</u>	<u>0.07%</u>
<i>County Wide Budget Total</i>	\$512,754,912	100.00%

General Fund Revenue

- Ad valorem taxes
 - Real & personal property \$138,178,774
 - Motor vehicle 10,798,002
 - Other 5,195,249
 - Jail reserve 3,044,485
- Other taxes
 - Sales 34,419,505

• Other	2,034,391
• Unrestricted intergovernmental	9,984,405
• Restricted intergovernmental	48,609,677
• Licenses & permits	2,071,949
• Sales & services	7,781,607
• Miscellaneous	
• Interest	207,474
• CFVMC	3,386,174
• Other	961,831
• Transfers	8,120,637
• Fund balance appropriated	
• Health Department	500,000
• Communications	1,408,406
• General	<u>8,450,182</u>
<i>General Fund Revenue Total</i>	\$285,152,748

General Fund Expenditures

• Personnel	\$106,630,797
• Basic operating	18,302,727
• Other charges & services	2,143,801
• Capital outlay	<u>942,060</u>
<i>Department total (44.90%)</i>	\$128,019,385
• Social Service programs	24,265,122
• Debt service	27,020,204
• Jail reserve	3,044,484
• Community funding	1,495,225
• Transfers	7,048,076
• Education	
• County schools	76,220,676
• FTCC	8,841,568
• Miscellaneous	<u>9,198,008</u>
<i>General Fund Expenditure Total</i>	\$285,152,748

DISCUSSION:

Commissioner Keefe questioned the reasoning behind financing the jail through the addition of 1.5 cents to the revenue neutral tax rate instead of borrowing the money especially since Moody's Investors Services had improved the county's bond rating making it potentially cheaper for the county to borrow money. Mr. Martin advised even though it will take a few years longer, it is cheaper to "pay-as-you-go" using cash flow as opposed to making bond interest payments over many years. Commissioner Keefe also questioned how many beds were being considered and Mr. Martin advised the general discussion at the recent Jail Summit was based on 250-260 dormitory type beds, but the number will be determined by the Board.

In response to a question posed by Chairman King, Mr. Martin advised that a 2% Cost of Living Allowance (COLA) would be about \$1.9M, with 1.5% being \$1.3 to \$1.4M.

Commissioner Faircloth questioned the amount that was over-budgeted last year based on the recalculation of the revenue neutral tax rate and Mr. Martin advised it is approximately \$6.5 to \$8M. In addition, there was about a \$6M increase in terms of annual growth, making the total around \$14M. Commissioner Faircloth confirmed about 51% of the over budgeted amount will go to the school system. Mr. Martin reminded members that about \$4M had been negated by lost sales tax and interest revenue. Commissioner Faircloth also confirmed the schools would receive around \$78.2M after receiving their additional amount. Therefore, they will receive less next year in comparison to what they received this year.

Commissioner Council thanked the manager and the staff for the work they do to keep the County in good financial standing.

Commissioner Keefe asked the county manager to elaborate on why Cumberland County does not have the issues that other counties have regarding drastic cuts. Mr. Martin stated he believed it has to do with the budget approach using conservative revenue projections and the county's fiscal policy which directed that each increase in expenditure should be accompanied by an increase in revenue for sustainability.

Chairman King reminded everyone that a meeting will be held on Thursday, May 27th, at 5:30 pm to hear department head appeals.

MOTION: Commissioner Edge moved to adjourn the meeting.

SECOND: Commissioner Gilfus

VOTE: UNANIMOUS

The meeting adjourned at 6:35 p.m.

Approved with/without revision:

Respectfully submitted,

Marie Colgan
Clerk to the Board