CUMBERLAND COUNTY BOARD OF COMMISSIONERS
JUNE 2, 2008, 5:30PM
SPECIAL MEETING – BUDGET

PRESENT: Chairman Breeden Blackwell
Vice Chair Jeannette Council
Commissioner Kenneth Edge
Commissioner John T. Henley, Jr.
Commissioner Billy R. King
Commissioner Ed Melvin
Commissioner Diane Wheatley
James Martin, County Manager
Juanita Pilgrim, Deputy County Manager
Amy Cannon, Asst. County Manager
Cliff Spiller, Asst. County Manager
Grainger Barrett, County Attorney
Harvey Raynor, Deputy County Attorney
Marie Colgan, Deputy Clerk
Marsha Fogle, Clerk
Staff: Human Resources
Finance Department
Sara VanderClute, PIO

The Special Meeting was called to order by Vice Chair Jeannette Council.

James Martin, County Manager, reviewed his proposed budget for Fiscal Year 2008-09.

The proposed budget meets the County Commissioners' objectives of decreasing the property tax rate by 2 cents to 86 cents per $100 valuation and includes expected revenues from the passage of the ¼ cent sales tax which will take effect October 1, 2008. The Budget also allows the County to maintain its policy of a 10% undesignated fund balance.

Budget Highlights

General Fund Budget $276,046,156
$44,651,115 or 1.17% increase over FY08

County-wide Budget $467,844,947
$98,844,947 or 17.46% decrease over FY08

Property Tax decreased 2 cents to 86 cents per $100 valuation

Fire District Taxes remain at 10 cents

Special Fire District Tax remains at ½ cent

Recreation Tax remains at 5 cents

¼ cent Sales Tax effective October 1, 2008
First distribution to the county – January, 2009
FY2009 distribution (9 months) - $6,068,691
FY2010 distribution (12 months) - $8,091,588

4% COLA or $1,000, whichever is greater, for permanent employees
COLA pro-rated for part-time employees

$550,000 reserved for potential detention center hiring/retention plan

$2,627,185 increase for County Schools current expense (3.85% increase)
Note: Schools receive 44 cents of the 86 cent tax rate per funding agreement (51.16%)

$305,878 increase for FTCC current expense (3.85% increase)

Medicaid – 2nd year
Expenditures reduced $6,732,019
Sales tax loss $3,699,200
Hold harmless to municipalities $2,815,949
NET SAVINGS: $216,870

NC Solid Waste Disposal Tax
$2.00 per ton State Tax (may be delayed)
Fiscal Impact - $460,620 (Solid Waste Department can absorb)

Policy Initiatives GASB45:
Accounting/reporting for post employment benefits
Insurance Fund divided into two cost centers (active and retirees)
County used NCACC sponsored firm to calculate "ARC"
Management recommends changing vesting period for retiree health insurance from 10 years to 5 years beginning July 1 (effects all employees hired after June 30, 2008)

Policy Initiatives: Travel Policy
Change needed in response to economic conditions
Plan based on GSA, IRS, State Treasurer's Guidelines & other jurisdictions
Effective July 1, 2008

GENERAL FUND EXPENDITURES

Personnel	$	100,391,077
Basic Operating		21,537,106
Capital Outlay		1,043,899

Department Total	$	122,972,082
Social Service programs	$	33,197,875
Debt Service		27,294,949
Community Funding		1,681,928
Transfers		7,317,993
Education		
County Schools		70,918,442
FTCC		8,283,893
Miscellaneous		4,378,994
GENERAL FUND TOTAL	**$**	**276,046,156**

GENERAL FUND REVENUE

Ad Valorem Tax	$	125,198,172
Real & personal property		13,415,147
Motor vehicle		5,802,929
Other taxes		
Sales		43,164,088
Other		2,821,353
Unrestricted Intergovernmental		7,544,969
Restricted Intergovernmental		44,282,970
Licenses & permits		2,208,995
Sales & services		7,883,711
Miscellaneous		
Interest		2,916,230
CFVMC		3,330,307
Other		966,952
Fund Balance appropriated		
Health Department		572,000
General		10,408,295
GENERAL FUND TOTAL	**$**	**276,046,156**

DISCUSSION:

Commissioner Henley inquired as to the Consumer Price Index (CPI). It was 4% for the 12 month period thru April, 2008.

Commissioner Henley inquired about the time line for the HOPE VI project and when the County would have to give its $4 million (infrastructure). Note: Community Development will provide $625,000 towards the $4 million. Since the County has not yet been asked to submit its portion of the funding, Commissioner Henley asked Staff to call the City to get a time line for the project so the County can determine when it will have to pay its portion.

MEETING ADJOURNED: 6:35PM.