



News Release

FOR IMMEDIATE RELEASE –

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County Manager Presents FY2018 Recommended Budget

FAYETTEVILLE – County Manager Amy Cannon presented the Fiscal Year 2018 recommended annual budget to the Cumberland County Board of Commissioners tonight. The budget includes a tax rate of 82.2 cents per \$100 valuation. The current rate is 74 cents. The recommendation also includes reducing services and eliminating 90 positions to balance the budget.

Cumberland County conducted a revaluation effective Jan. 1, 2017, that resulted in a \$4.8 million reduction in taxable value. The revenue-neutral tax rate is 78.2 cents, which is the rate estimated to produce the revenue equal to the amount collected in the previous fiscal year, plus natural growth, if no reappraisal had occurred.

Cannon is recommending a 4-cent tax increase above the 78.2-cent revenue neutral rate and outlined significant and ongoing challenges that require drastic actions to balance the budget. The challenges include local economic conditions and limited natural growth; potential state and federal legislative changes; increased demand for mandated services; the drawdown of mental health reserves; funding pressures in the Jail Health program; employee recruitment and retention; and departmental budget requests.

The recommended General Fund budget total is \$328,042,177, an increase of \$757,289, or .23 percent, over FY2017. The revenue from the tax increase will provide sustainable funding for core and mandated services without significantly sacrificing quality or levels of service. The mandated services include mental health, foster care, jail health and education.

The manager's budget also includes an \$8 increase in the Solid Waste Fee, from \$48 to \$56 a year. The fee has not increased since it was instituted in 1991 and the \$56 fee would remain lower than similar fees in surrounding counties.

More than \$5.9 million in expenditure reductions were made in the recommended budget, and Cannon told commissioners the FY2018 budget is the first stage in a multi-year strategy of restructuring and reductions. Rightsizing, outsourcing and consolidations are among the strategies under review in the upcoming fiscal years.

“This has been the most challenging budget to prepare because I recognize and fully understand the implications of recommending a tax increase beyond revenue neutral. But I have thoughtfully balanced that with the scenario of a mass reduction of filled, full-time positions and a drastic reduction in services that our citizens rely on each day. In addition, I remain mindful of the importance of maintaining our solid financial position and protecting our reserves to be a resilient organization,” Cannon said.

The recommended budget, which includes the manager's message, is available online at co.cumberland.nc.us/county_manager/budget_division.

Recommended Strategies

The recommended budget eliminates a total of 90 positions, 41 full-time and 49 part-time, from 10 different departments. Currently, 53 of the positions are filled and 37 are vacant.

“Our approach in considering budget reduction options was to minimize the elimination of filled full-time positions, review program reductions using a return-on-investment perspective and to seek creative opportunities for delivering services in the most cost-effective manner,” Cannon said.

The chart below outlines the reductions.

Department	Part-Time		Full-Time		Total
	Vacant (PT)	Filled (PT)	Vacant (FT)	Filled (FT)	
Administration			1		1
Finance		1*			1
Health			3	7	10
Human Resources		1*			1
Landscaping			2		2
Library	4	41	1	1	47
Planning			1		1
Public Utilities			1		1
Social Services		2*	21		23
Tax Administration and Revaluation			3		3
Grand Total	4	45	33	8	90
* includes rehired-retirees					

- Under the recommendations, the **Cumberland County Public Library & Information Center** will reduce 45 part-time and two full-time positions and cut 67 service hours a week across the system. All branches will be affected and the recommendations followed an analysis of usage patterns, workload indicators, public comments and requests. The Law Library in the Courthouse would be eliminated.
- Changes in service delivery at two **Department of Public Health** clinics are recommended. Diminishing patient volume at the **Dental Clinic** does not support operating a full-time clinic. The recommended budget includes \$5,000 for school screenings and \$30,000 for limited dental clinic hours.

The **Adult Health Clinic** is recommended to close, but the services will be provided in another manner. The budget includes \$70,000 to fund an additional day of coverage by Cumberland HealthNET at the Public Health Center.

- **Community Funding** – Agencies that received funding in this year’s budget had their funding reduced by 15 percent and no new agencies were recommended to be funded. The 2-1-1 information referral system sponsored by United Way was renewed at current levels.

Expenditure Highlights Include 2 percent COLA

Cannon recommended a 2 percent cost-of-living increase for County employees to be implemented at mid-year. The budgeted cost is \$916,955.

“Employee recruitment and retention remain significant challenges. Increasingly, we are losing valued and experienced County employees to other local governments and the private sector due to base pay considerations,” she said.

Other expenditures:

- Cumberland County Schools \$80,362,412
- Fayetteville Technical Community College \$12,101,992
- Mental Health \$ 4,528,149

Moving Forward

“This proposed budget was prepared from a long-term sustainability perspective, as concerns remain about potential federal and state policy changes in FY2018 and beyond. Preliminary budget reductions achievable in FY2018 are recommended with this budget and should be viewed as the foundation and launch for future organizational restructuring and efficiencies,” Cannon said.

“Initial actions in this vein are taken with the recommendation to eliminate 90 positions now and additional positions as we move forward in strategic realignment of our organization. Rightsizing to create resiliency and a proactive posture must be methodical and implemented with a long-term approach and time frame,” she said.

Cannon mentioned several strategies to consider in future fiscal years, including:

- Realign social services group homes
- Consolidate social services and public health into one human services agency
- Divest county property
- Explore the merger of county functions (technology, human resources, public information, facilities maintenance)
- Consider outsourcing options

“We knew this was going to be a challenging year and I believe the county manager and her staff did an excellent job in preparing and presenting this budget and the ongoing strategies for going forward. The commissioners will take the time to fully review the recommendations presented tonight as we begin our deliberations next week,” said Chairman Glenn Adams.

The commissioners will meet May 30 at 5:30 p.m. in Room 564 of the Cumberland County Courthouse for a budget work session. A public hearing is set for June 5 at 7 p.m. in Room 118 of the Courthouse. Anyone interested in signing up to speak should contact the clerk’s office at 910-678-7771 or cwhite@co.cumberland.nc.us.

Residents can watch the meeting live through the County’s website at co.cumberland.nc.us or on Spectrum Channel 5 (Fayetteville/Cumberland Education TV). The budget meeting schedule appears below. All meetings will be in the Courthouse at 117 Dick St.

May 30	5:30 p.m.	Budget Work Session	Room 564
June 5	7:00 p.m.	Budget Public Hearing/Work Session	Room 118/564
June 8	5:30 p.m.	Work Session/Department Head Appeals	Room 564
June 13	5:30 p.m.	Work Session	Room 564
June 14	5:30 p.m.	Budget Work Session (if needed)/Adopt Budget	Room 564

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