

CUMBERLAND COUNTY BOARD OF COMMISSIONERS
MAY 27, 2021 – 7:00 PM
117 DICK STREET, 1ST FLOOR, ROOM 118
FY22 BUDGET PRESENTATION
SPECIAL MEETING MINUTES

PRESENT: Commissioner Charles Evans, Chairman
Commissioner Glenn Adams, Vice Chairman
Commissioner Jimmy Keefe
Commissioner Larry Lancaster
Commissioner Toni Stewart
Amy Cannon, County Manager
Duane Holder, Deputy County Manager
Tracy Jackson, Assistant County Manager
Sally Shutt, Assistant County Manager
Angel Lanier-Wright, Assistant County Manager
Rick Moorefield, County Attorney
Vicki Evans, Finance Director
Deborah Shaw, Senior Budget and Management Analyst
Heather Harris, Budget and Performance Data Analyst
Andrew Jakubiak, Budget and Management Analyst
Candice H. White, Clerk to the Board
Kellie Beam, Deputy Clerk

ABSENT: Commissioner Jeannette Council
Commissioner Michael Boose

Chairman Evans called the special meeting to order and stated the purpose of the meeting is for County Manager Amy Cannon to present the recommended FY22 budget to the Board of Commissioners. Commissioner Adams provided the invocation followed by the Pledge of Allegiance to the American flag.

Chairman Evans called on Amy Cannon, County Manager, who thanked the Board of Commissioners for the opportunity to present the FY22 recommended budget. Ms. Cannon stated the recommended budget is balanced in accordance with the N. C. Local Government Budget and Fiscal Control Act.

Ms. Cannon stated key numbers for the FY22 recommended budget include:

- \$501,993,003 All annual funds
- \$340,591,324 General Fund
- \$2,390,667 Value of a penny
- 79.9¢ Tax rate per \$100 of assessed valuation

Ms. Cannon stated as much as everyone wants to put COVID-19 behind them, the magnitude of the pandemic has to be acknowledged because of the way it reshaped society and uprooted how people live and work each day. Ms. Cannon reviewed the following challenges and impacts on county employees and county government:

Social Challenges

- Social isolation
- Balancing work & families
- School closures/home schooling
- Stress of contracting virus
- Lives lost to the pandemic

Impact on Local Governments & Service Delivery

- Providing services while closed
- Mitigating the spread of the virus
- New responsibilities beyond normal duties

Ms. Cannon stated Cumberland County has been successful in meeting the pandemic operational challenges and reviewed how the Public Health Department quickly shifted responsibilities during the pandemic even though it exceeded their internal capacity:

- Contact tracing for positive cases
- Community COVID-19 testing
- Mass vaccination clinic
- Continue providing regular clinic services & mandated services
- Monitor CDC & DHHS to keep the public informed

Ms. Cannon stated although Public Health and Emergency Management have led the pandemic response, many county departments, agencies and community organizations came together as cross-functional teams to conduct pandemic operations. Ms. Cannon identified the county departments, agencies and community organizations that helped and provided hope for the community. Ms. Cannon presented the following data that showed the new responsibilities encountered as a result of the pandemic and stated even though numbers tell a story, the real story is the people behind the numbers.

- 336,438 PPE distributed to departments
- 145,000 Pounds of food distributed to the community
- 63,257 Hotline & appointment phone calls
- 47,512 Vaccines administered
- 23,682 Absentee ballots received & cured
- 3,269 COVID-19 tests provided
- 378 Barriers installed
- 43 Homeless individuals housed
- 23 Businesses approved for Small Business Resiliency funds

Ms. Cannon stated when the county was on the verge of hurricane season, the core team came together to develop strategies for social distancing and congregate care so citizens could be protected in the event of a weather-related emergency.

Ms. Cannon stated Cumberland County's drive through vaccination clinic has been modeled throughout the state. Ms. Cannon identified departments involved with COVID-19 testing, vaccine efforts and mass vaccination clinics. Ms. Cannon provided a summary of county departments involved in pandemic operations related to logistics/distribution, community support, barriers/cleaning protocols and Virtual Learning Centers. Ms. Cannon also provided a summary of county department that quickly adjusted to new work environments.

Ms. Cannon stated to safely mitigate the spread of the virus, Child Support created a one Saturday per month half-day drive-up paternity testing clinic and Social Services worked with the court system to make sure parents and foster children could continue their visitation virtually. Ms. Cannon stated there was also a drive-through parade for 20 foster children who graduated. Ms. Cannon stated some of these creative solutions that proved to be successful for the county and its customers will be continued.

Ms. Cannon stated the support network for pandemic operations consisted of the Board of Commissioners, the Leadership Team, the entire county workforce and community partners. Ms. Cannon summarized key initiatives that were accomplished in addition to the many COVID-19 projects:

- Diversity, Equity & Inclusion Initiative
- Justice Services Advisory Council Development
- Transition of Workforce Development & Senior Employment Services
- Comprehensive Solid Waste Master Plan
- Issued Debt for Emergency Center & FTCC Fire Training Center
- County Government Channel (CCNC-TV) & Website Redesign
- Continuation of Fleet Utilization Study
- Grant Applications & Awards for \$1.6M Emergency Watershed Protection
- Partnership with Alliance Health for Level 3 Child Residential Treatment Services

Ms. Cannon thanked the Board of Commissioners for allowing her to share the county's good story and stated the presentation of the FY22 recommended budget will begin with a look at the local economy and budget development goals. Ms. Cannon stated last year's budget planning changed dramatically due to the economic shutdown. Ms. Cannon reviewed the following PowerPoint slides:

- Pandemic presented unknown impacts
- Conservative local revenue projections
 - ➡ Guidance based on NCACC & federal shutdown historic trends

Actual Trends

- Revenue decline did not materialize – local revenue remains strong
- Best indicator: Sales Taxes
 - ➔ Projected to exceed the conservative budget by \$9.9M

Factors Attributing to Strong Local Revenue

- Federal stimulus payments
- Enhanced unemployment benefits
- Military component

Ms. Cannon stated the FY22 recommended budget supports the Board of Commissioners’ priorities. Ms. Cannon outlined the following newly established and continuing priorities.

Priorities Established During Goal Setting:

- Performing arts center
- Gray’s Creek public water access
- Countywide public water
- Homelessness
- Government communication
- Economic development
- County facility asset inventory & audit

Continuing Priorities:

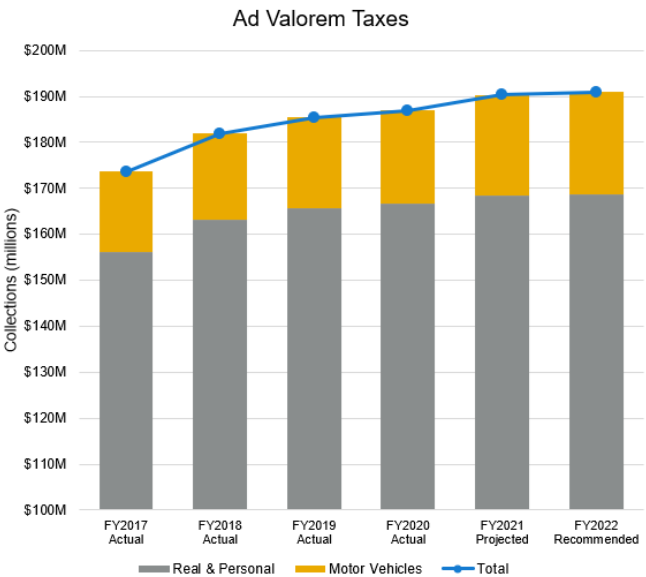
- Completion of emergency services center
- New high school discussions
- School funding
- Mental health
- Public health
- County employee recruitment & retention

Ms. Cannon stated the FY recommended budget also achieves the following:

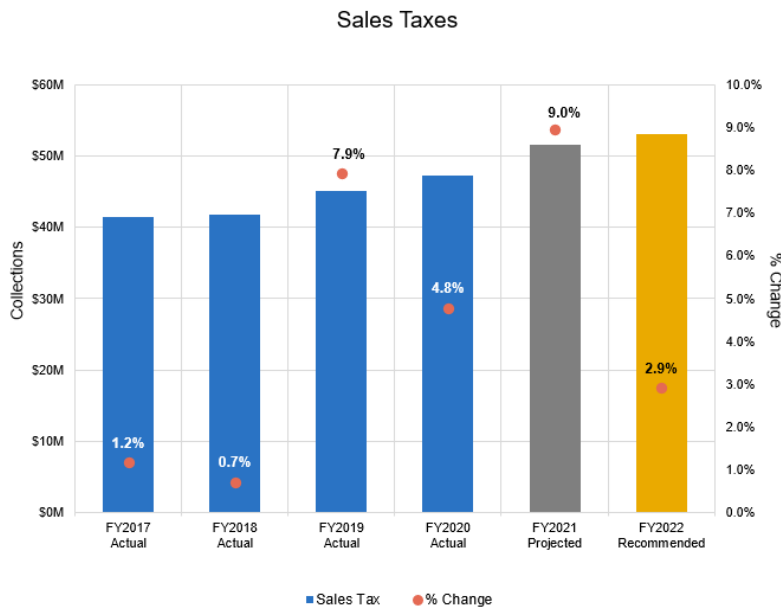
- Maintains tax rate
- Provides core, mandated services
- Phase III of recruitment & retention
- Merges decentralized information technology functions
- Advances diversity, equity & inclusion
- Protects our technology & infrastructure
- Multiyear review of fleet management operation
- Advances public health education & environmental health capacity
- Manages American Rescue Plan & federal grant opportunities
- Address public safety recruitment & capital needs

Ms. Cannon presented General Fund-revenue and stated the following graphs show the local economy is strong.

Ad Valorem Revenue (+\$5.3M)
\$168,721,614 Real & personal property tax (+\$2.8M)
\$22,292,691 Motor vehicles (+\$2.5M)



Sales Tax Revenue
\$53,023,227 (+\$9.9M)



General Fund Fund Balance Appropriation
\$7,505,952 (-\$1.2M)

- No more than 3% of recurring expenditures
- Less than 10% of unassigned fund balance

Ms. Cannon stated although sales tax for the current year is projected to significantly out-perform budget, uncertainty remains about the long-term impact of the pandemic on the local economy when the federal stimulus payments and enhanced unemployment benefits are no longer available.

Ms. Cannon presented highlights of the following General Fund expenditures:

New Initiatives

- Involuntary Commitment Transportation
- Justice Services
- Dedicated Assistant Public Defender
- Management Analyst Reclassification
- Merge County I.T. Functions

Mandates

- LGERS Retirement Increase \$1.2M

New Items

\$548,254 New positions (10 positions to support core and mandated functions, IS infrastructure and technology division and fleet electronics)

\$2,788,598 Capital outlay

- \$2,640,000 Body cameras for Sheriff’s Office (\$310,000 for associated technology in CIF; will continue to pursue any available grants)

Agency Funding

\$486,042 Community Funding

- Same amount as last year

Education-Cumberland County Schools

\$83,033,918 Recommended current expense (+\$2.3M)

- 43.47% of projected ad valorem revenue

\$87,080,417 Total CCS funding (includes \$1.7M budgeted for school health nurses and \$2.2M budgeted for school resource officers and crossing guards)

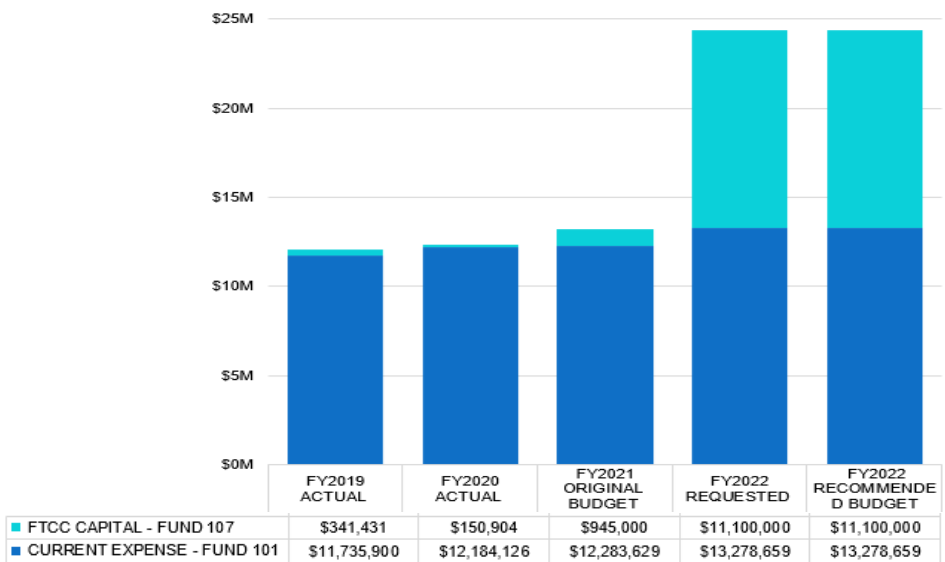
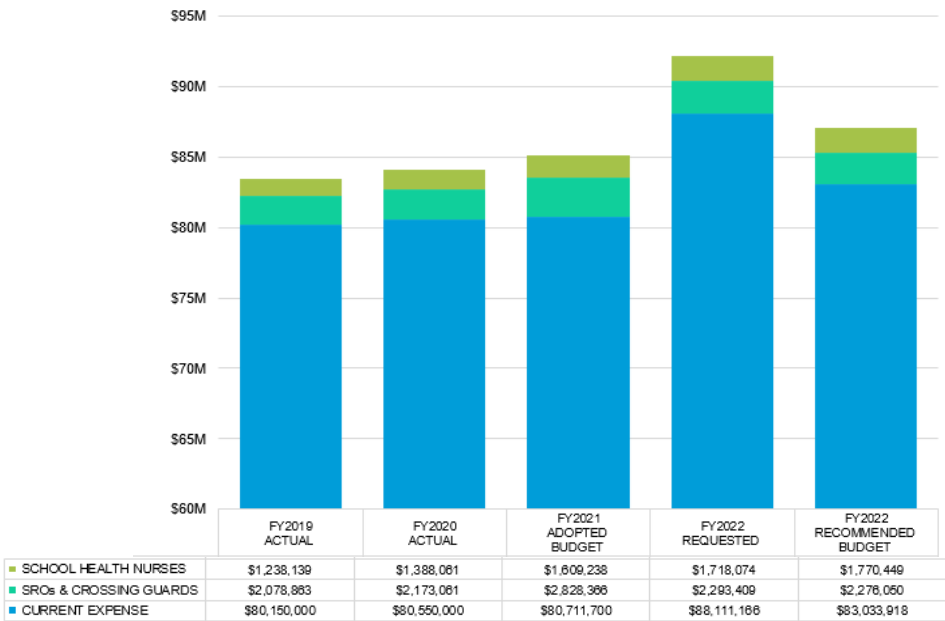
Education-Fayetteville Technical Community College

\$13,278,659 Recommended current expense (+\$995,000)

\$11,100,000

- Recommended capital funding
- Debt issued for FTCC Fire Training Center

Ms. Cannon displayed the following graphs related to education funding over a span of five years:



Ms. Cannon stated the Board of Commissioners has had an ongoing goal of addressing recruitment and retention and presented the following highlights:

- FY2019 Discoveries via Outside Assessment:
- Significant deficiencies in pay practices
 - Have not kept pace with consumer price index/inflation
 - Minimum pay significantly lower in many classifications
- FY2020 Implemented Some Strategies from Outside Assessment:
- Adopted 2% COLA
 - Recommend consistent COLA adjustments
 - Market adjustments for heavily underpaid classifications
- FY2021 Deferred Many Initiatives:
- Due to projected revenue shortfalls – no COLA adjustment
 - Issued one-time payments of \$1,700
- Current Year Figures for Continued Struggle with Recruitment and Retention
- 16.5% turnover rate (looks at and measures retention)
 - 18.5% Countywide vacancy rate (looks and measures recruitment)
 - ➔ Vacancy rate as high as 20% - 53% for Detention Officers, School Health Nurses & Social Workers
- FY2022 Budget Recommendation:
- 3% COLA adjustment - \$3.1M

- Phase III market adjustments - \$1.1M
- Law Enforcement hiring/training incentive - \$400,000

Ms. Cannon presented the following highlights of the Capital Investment Fund:

Fleet Management Review of Fleet and Fleet Policies

- Currently 589 vehicles
- Average age: 11.1 years for all departments (aging fleet; some repairs exceed value of vehicle)
- Large portion is Sheriff's Office:
 - Average age: 9.8 years
 - Average mileage: 102,000 miles
 - Average replacement (past 7 years): 18 vehicles

FY2022 Recommendation:

- \$2.9M to replace 45 vehicles (34 for CCSO)

Ms. Cannon presented highlights of the Board of Commissioners' other strategies and funding priorities:

Community Development Fund

Addressing Homelessness – Partnership with Community Development & CommuniCare

- State issued a request for application for PATH grant opportunity – Projects for Assistance in Transition from Homelessness; Cumberland County was one of four communities selected in North Carolina
- Seeking expertise in homelessness & mental health support
- CommuniCare received grant award; has clinicians
- Community Development will support Homeless Street Outreach

FY2022 Recommendation:

- 2 new positions funded through this grant

Solid Waste Fund

FY2022 Recommendation:

- \$14.6M for Solid Waste Operations (+\$405,000)

Key Components of Long-Term Solid Waste Master Plan:

- Evaluation of landfill life
- Capacity analysis
- Gas value study & opportunities
- Soil deficiencies
- Land acquisition
- Availability fee analysis

Environmental justice study

Crown Complex Enterprise Fund

Revenue Sources Supporting the Crown Complex

- Event revenue
- Food & beverage tax
- Occupancy tax

Minimal Event Revenue Since March 2020

- Efforts of Spectra Venue Management to Adjust/Lower Operational Costs Have Prevented Overspending the Budget

Ms. Cannon presented highlights of the following tax revenues and stated Occupancy Tax revenues for travel and tourism have not rebounded as quickly as food & beverage revenues. Ms. Cannon displayed the following graphs related to tax revenue to include FY22 recommended.

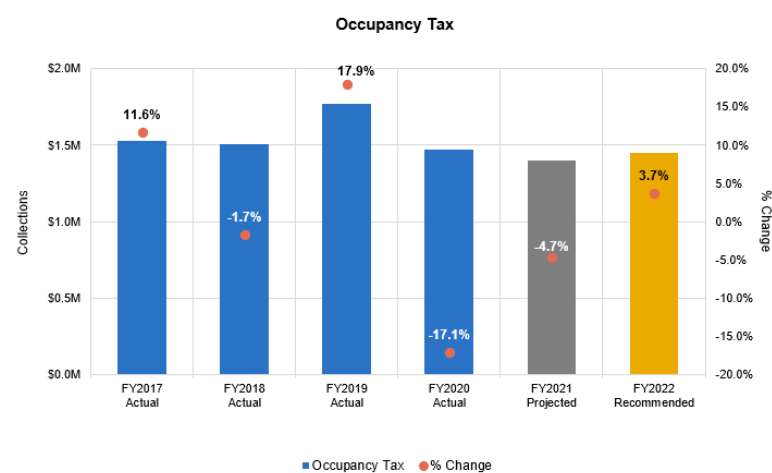
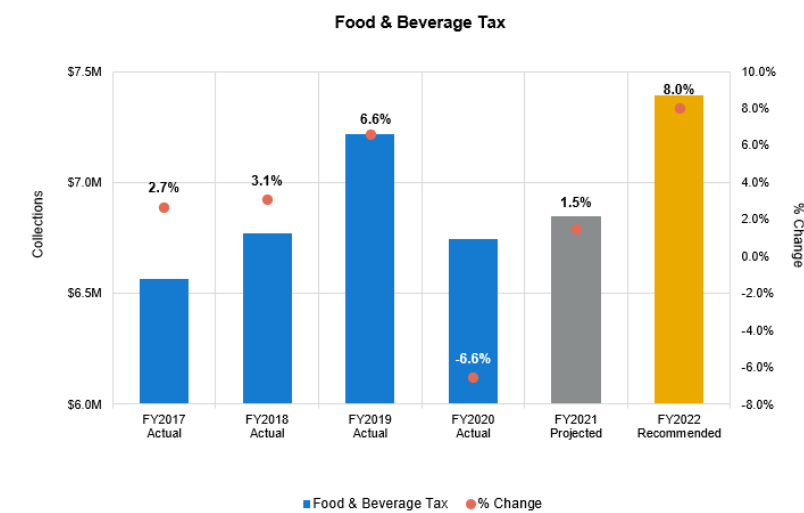
Food & Beverage Tax

- \$7,393,357 (+\$1.3M)
- Projected for FY22 to be Comparable to FY2019 Pre-COVID Revenue Levels

Occupancy Tax

\$1,451,839 (+\$106,000)

- Projected for FY22 to be Less than FY2019 Pre-COVID Revenue Levels



Ms. Cannon concluded her presentation of the FY22 recommended budget and stated staff look forward to working with the Board of Commissioners to develop their adopted budget. Ms. Cannon stated the budget continues the philosophy of being fiscally conservative, prioritizes the Board’s goals and preserves core services. Ms. Cannon stated the Board of Commissioners has been committed to resiliency, fiscal prudence, and long-term sustainability, and those factors have helped the county maintain its strong financial position.

Ms. Cannon reviewed the previously adopted budget meeting schedule and stated the FY22 recommended budget is available on the county’s website. Ms. Cannon acknowledged the county’s dedicated workforce and their service to citizens. Ms. Cannon thanked the Board of Commissioners for their support and leadership and also thanked the county’s leadership staff and those involved in preparing the FY22 recommended budget. Ms. Cannon recognized members of the budget team.

Chairman Evans provided closing remarks.

- MOTION: Commissioner Lancaster moved to adjourn.
- SECOND: Commissioner Stewart
- VOTE: UNANIMOUS (5-0)

There being no further business, the meeting adjourned at 7:40 p.m.

Approved with/without revision:

Respectfully submitted,

Candice H. White
Clerk to the Board