

CUMBERLAND COUNTY BOARD OF COMMISSIONERS
MAY 26, 2022 – 7:00 PM
117 DICK STREET, 1ST FLOOR, ROOM 118
FY23 BUDGET PRESENTATION
SPECIAL MEETING MINUTES

PRESENT: Commissioner Glenn Adams, Chairman
Commissioner Toni Stewart, Vice Chairman
Commissioner Jeannette Council
Commissioner Charles Evans
Commissioner Jimmy Keefe
Commissioner Larry Lancaster
Amy Cannon, County Manager
Sally Shutt, Assistant County Manager
Brian Haney, Assistant County manager
Rick Moorefield, County Attorney
Vicki Evans, Finance Director
Ivonne Mendez, Deputy Finance Director
Deborah Shaw, Budget and Performance Manager
Andrew Jakubiak, Budget and Management Analyst
Kelly Autry, Budget and Management Analyst
Tye Vaught, Management Analyst
Candice H. White, Clerk to the Board

ABSENT: Commissioner Michael Boose

Chairman Adams called the special meeting to order and stated the purpose of the meeting is for County Manager Amy Cannon to present the recommended FY23 budget to the Board of Commissioners. Commissioner Evans provided the invocation followed by the Pledge of Allegiance to the American flag.

Chairman Adams called on Amy Cannon, County Manager, who thanked the Board of Commissioners for the opportunity to present the FY23 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 the FY23 recommended budget calls for \$552,930,111 in total expenditures across all funds with \$363,117,033 appropriated for General Fund expenditures. Ms. Cannon stated the county's tax rate remains unchanged at 79.9 cents per \$100 assessed valuation; each penny of the tax rate produces \$2,427,268.

Ms. Cannon stated the COVID pandemic altered the county's work environment and employees were forced to work remotely and adapt to new technology. Ms. Cannon stated the pandemic uncertainty and remote work remains along with providing services electronically, erratic economic recovery and the potential for the emergence of new variants that could affect the delivery of services.

Ms. Cannon stated the recommended budget continues the county's focus on resiliency, recovery and restructuring alongside the uncertainty of the economic outlook due to inflation which is currently at 8.5%, rising fuel prices, the conflict in Ukraine and ongoing supply chain issues. Ms. Cannon stated the FY23 budget development goals include advancing the Board of Commissioners' ongoing priorities established during FY21 and maintaining the current property tax rate.

Ms. Cannon stated projected General Fund revenues from ad valorem taxes is budgeted at \$170,695,791 which is a \$2M increase over FY22 and motor vehicle tax revenue is budgeted at \$23,242,940 which is a \$1M increase over FY22. Ms. Cannon stated FY23 sales tax is budgeted at a modest 4% growth based on diminishing federal stimulus funds and childcare tax credit and the reduction of disposable income due to inflation which puts it closer to pre-pandemic levels. Ms. Cannon stated the FY23 occupancy tax is budgeted at 15.0% growth as the county expects a continued increase in collections following a decrease of over 17% from FY19 due to Covid-19. Ms. Cannon stated Food & Beverage Tax has continued to rebound from the pandemic slowdown and collections are budgeted at \$9.3M which represents an increase of \$1.9M over the FY22 budget.

Ms. Cannon stated the recommended budget includes a fund balance appropriation of \$7,996,059 for recurring expenses leaving a minimum unassigned fund balance of 12% to 13% to ensure sufficient cash flow for natural disasters or economic downturns.

Ms. Cannon stated due to limited revenue growth and significant mandated expenditure increases, tough decision had to be made to balance the FY23 recommended budget and still focus on maintaining current services, addressing unmet needs where possible, and continuing to focus on the Board of Commissioners' strategic priorities as follows:

- Continuing to move forward with the replacement of the Crown Theatre and Arena with anticipated site review and selection, land procurement, updating and refining project cost estimates, and procurement of a design/construction team;
- Allocating \$258,600 to move forward with Phase 1 of the Gray's Creek Water Project to serve two elementary schools and residential customers located along the route; and
- Moving forward with addressing homelessness including identifying potential sites for a homeless shelter.

Ms. Cannon stated included in the FY23 recommended budget in the areas of Mental Health and Public Health are:

- Maintaining local funding for mental health services and recommending utilizing existing MCO fund balance to increase levels of mental health and substance abuse services in the county;
- Providing \$390,254 for a pilot project to provide in-home case management and care coordination to help address the social determinants of health and reduce barriers and gaps in services to those most in need; and
- Including \$50,000 for a pilot transportation program to address transportation access issues for citizens receiving services from the Public Health Department.

Ms. Cannon stated the FY23 recommended budget also includes the following:

- \$755,657 for 15 new positions (not including the new positions related to the in-home case management and care coordination program);
- \$84.3 million in current expense funding for Cumberland County Schools, representing 43.47% of the property tax rate and an increase of \$1.3 million from FY2022;
- An additional \$3.9 million in funding to Cumberland County Schools for School Health Nurses, School Resource Officers, and School Crossing Guards;
- \$14.2 million in current expense funding for Fayetteville Technical Community College, which is an increase of \$935,000; and
- \$2 million to replace 32 vehicles (21 from the Sheriff's Office and Detention Center).

Ms. Cannon stated the county is not immune from the nationwide workforce crisis and has experienced a high turnover rate over the last three years. Ms. Cannon stated in FY22, the county examined its compensation practices, pay ranges and actual employee pay linked to years of service to get a snapshot of where the county stood as an organization. Ms. Cannon provided highlights of the snapshot and stated the FY23 recommended budget seeks to address critical issues the county is facing related to recruitment and retention of an experienced well-trained workforce and includes the following:

- Funding for a 4% cost-of-living adjustment for County employees;
- Additional market adjustments to increase the entry level salary rates for sheriff's deputies and detention officers (Entry level Detention Officer - \$40,457 (increase of \$2,710); Entry level Deputy Sheriff - \$44,000 (increase of \$2,780); Includes all deputy classifications excluding the rank of captain and above;
- \$95,000 to conduct an organization-wide classification and market study to address salary compression, inequity, and competitive pay within ranges; and
- Funding for a pilot project to transition social workers in DSS to permanent remote work, which could be expanded to other County departments in future years.

Ms. Cannon stated new initiatives included in the FY23 recommended budget include:

- Consolidation of Print, Mail & Design (PMD) and Public Information Office (PIO)
- Centralization of Fleet Management
- Emergency Shelter Generators
- Permanent Remote Work – Social Workers

Ms. Cannon stated expenditures budgeted through the Capital Investment Fund are capital, debt service, maintenance and repairs and technology. Ms. Cannon shared the following detail:

| CATEGORY | FY2023 RECOMMENDED BUDGET |
|--------------------------------------|---------------------------------|
| DEBT SERVICE | \$11,798,276 |
| FTCC CAPITAL | 11,200,000 |
| CAPITAL IMPROVEMENT PLAN | 3,416,000 |
| PRELIMINARY CAPITAL | 450,000 |
| TECHNOLOGY | 1,070,660 |
| MAINTENANCE & REPAIRS | 924,500 |
| GRAY'S CREEK PHASE I INITIAL COST | 258,600 |
| TRANSFERS OUT | 807,775 |
| TOTAL CAPITAL INVESTMENT FUND | \$29,925,811 |

**Capital Investment Fund
Expenditures = \$29.9M**

Ms. Cannon stated the FY23 recommended budget includes funding in the amount of \$116,965 for 2 new positions with the Fayetteville Area Metropolitan Planning Organization and because the positions are federally funded at 80%, the net cost is \$23,393.

Ms. Cannon stated the FY23 recommended budget for the Solid Waste Enterprise Fund is \$15,837,167 which includes two new solid waste attendant positions at a cost of \$98,482 and \$2.7M for vehicle and equipment replacement.

Ms. Cannon reviewed the previously adopted budget meeting schedule and stated the FY23 recommended budget is available on the county’s website. 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 FY23 recommended budget. Ms. Cannon recognized members of the budget team.

Chairman Adams provided closing remarks.

- MOTION: Commissioner Evans moved to adjourn.
- SECOND: Commissioner Council
- VOTE: UNANIMOUS (6-0)

There being no further business, the meeting adjourned at 7:50 p.m.

Approved with/without revision:

Respectfully submitted,

Candice H. White
Clerk to the Board