REQUEST FOR BOARD ACTION

ITEM NO. 14.

DATE OF MEETING: May 16, 2011

REQUESTED BY: Rick Benton, County Manager

SHORT TITLE: Public Hearing on FY 11-12 Submitted County Budget

BACKGROUND: The Board of Commissioners is required to hold a public hearing prior to adopting a county budget for the upcoming fiscal year. A public hearing for the FY 11-12 budget has been duly advertised for 7:00 p.m. this 16th day of May, 2011.

A copy of a powerpoint outlining FY 11-12 Submitted Budget highlights is attached. The Board has scheduled three budget work sessions to review the budget, and to work to develop a final budget for consideration for adoption. Adoption of the annual budget is planned for June 20, 2011.

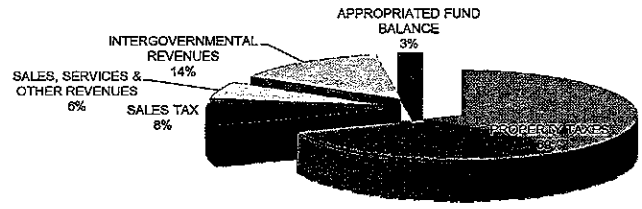
The County Manager will present the powerpoint to the public prior to the Board calling for public comment.

SPECIFIC ACTION REQUESTED: To hold a public hearing and to solicit public comment/input on the FY 11-12 submitted budget. No formal action is required by the Board.

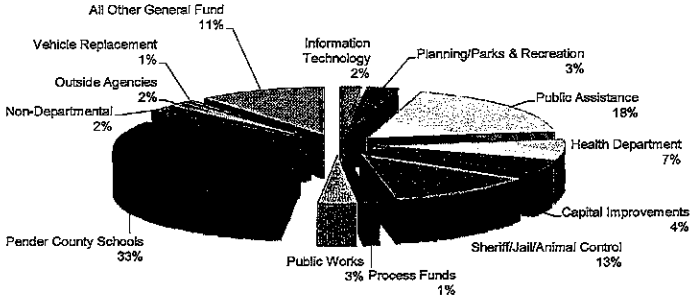
FY 11-12 SUBMITTED BUDGET SUMMARY

	FY 11-12	FY 10-11
General Fund:	$50,296,794	$47,949,148
Public Enterprises:	$ 7,953,211	$ 6,481,358
Total of All Funds:	$80,040,854	$74,209,798

FY 11-12 GENERAL FUND REVENUE SOURCES



FY 11-12 GENERAL FUND APPROPRIATIONS



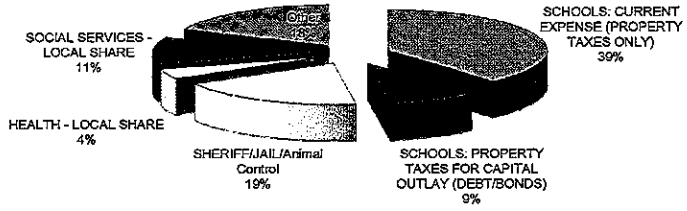
GENERAL FUND REVENUES

- Overall revenues remain flat for FY 11-12
- Sales taxes have declined $1.2 million since FY 07-08-projected at $4.1 million
- Sales/services revenues have declined $2.86 million since FY 07-08-projected at $3.12 million
- Property tax revenues at revenue-neutral projected at $31,764,852

PROPERTY TAX REVENUES

- $31,764,852 generated with revenue-neutral rate of 49.9 cents
- $34,846,125 required for FY 11-12 submitted budget
- $3,081,273 in additional revenue required (4.96 cents)
- New mandates-required expenditures equal 4.86 cents

FY 11-12 PROPERTY TAXES DISTRIBUTION



TAX RATE

- 54.86 cents tax rate required for submitted budget
- 49.9 cents is the revenue-neutral tax rate
- 4.96 cents is the additional tax rate required
- 65 cents is the current tax rate (past 6 years)
- 1 cents on tax rate generates approximately $618,000

NEW MANDATED-REQUIRED SPENDING

- State Public School Funding Shift:	$ 217,000
- State Jail Misdemeanants:	$ 240,000
- Loss of Public School Debt Reserve:	$ 329,000
- Increased Jail Detention Costs:	$ 60,000
- Increased DSS County Approp:	$ 971,247
- Increased Health Insurance Costs:	$ 318,000
- Increased Unemployment Insur:	$ 70,000
- US 421 Property Acq. Payment:	$ 326,278
- Shell Building Loan Payment:	$ 13,105
- Increase in Public School Debt Service:	$ 456,244
Total:	$3,000,874
	(4.86 cents)

Note: 4.96 cents above revenue-neutral proposed in submitted budget.

NEW MANDATED-REQUIRED SPENDING UPCOMING IN FY 12-13

- Lottery Fund Replacement:	$ 736,000
- Public School Debt Reserve Replace:	$1,544,092
- Shell Building Loan Payment:	$ 214,106
Total:	$2,494,198
	(4.04 cents)

Note: Mandates subject to final state budget.

PUBLIC SCHOOLS

- $14,074,623 County appropriation in FY 10-11
- $1,190,000 additional BOE request for FY 11-12 ($15,264,623)
- $1,002,244 in new required funding for FY 11-12 (1.62 cents)
  (School Buses, WC, Debt Reserve Replacement)
- $14,074,623 plus required $1,002,244 recommended in submitted budget
- No new current expense or capital outlay funding recommended to date
- $2,280,092 (3.96 cents) in additional FY 12-13 funding required: (Lottery Funding, Debt Reserve Replacement)
- Mandates and final school funding subject to State Budget provisions

PUBLIC HEALTH

- $3.8 million budget recommended by BOH for FY 11-12
- $1.6 million of this is county dollars, remainder is state funds, insurance, medicaid, grants
- Clinics proposed to be staffed by mid-levels vs. physicians
- Animal Control Program is recommended to be shifted to Sheriff's Department ($360,122)

PUBLIC UTILITIES

Solid Waste	$4,324,748
Maple Hill WSD-Water	$ 149,684
Maple Hill WSD-Sewer (new)	$ 73,362
Rocky Point-Topsail-Water	$2,856,502
Rocky Point-Topsail-Sewer	$ 146,411
Scotts Hill WSD-Water (new)	$ 290,747
Pender County Water Treatment (new):	$ 111,757
Total Enterprise Fund:	$7,953,211

PUBLIC UTILITIES

- No capacity fee increase proposed
- Water rate increases for Rocky Point-Topsail WSD and Maple Hill WSD to assure financial viability and self-sufficiency of system
- Solid waste fee increase to cover increased operational costs, to provide for capital reserves, and to fund the relocation of the Hampstead convenience site off US 17

CAPITAL IMPROVEMENTS

- Courthouse Sidewalk Replacement:	$ 125,000
- York House Rehabilitation:	$ 75,000
- Animal Shelter Rehabilitation:	$ 150,000
- Env. Health Modular Rehabilitation:	$ 15,000
- Pender Commerce Park Acquisition:	$ 326,278
- Industrial Shell Building:	$ 13,105
- New Jail/Law Enf. Center Design:	$ 895,275
- New DSS Center Design:	$ 225,000
Total:	**$1,824,658**

SUMMARY of GENERAL FUND

- General Fund submitted budget increase for FY 11-12 is $2,347,646 increase over FY 10-11
- The proposed tax rate required to fund the submitted budget is 54.86 cents (65 cents each of last six years)
- The revenue-neutral tax rate is 49.9 cents
- The revenue shortfall is projected at $3 million, equivalent to 4.96 cents
- New mandates-required spending equates to 4.86 cents
- New mandates known for FY 12-13 equate to an additional 4.04 cents

OPTIONS

1. Tax Rate at 54.86
   -49.9 cents for revenue-neutral
   -4.96 cents to cover mandated-required expenditures
   -requires additional minimum of 4.04 cents for FY 12-13 mandates

2. Tax Rate at 49.9 cents
   -requires budget reduction of $3 million
   -options to use fund balance (one-time) and cut other items
   -requires additional 10.36 cents for FY 12-13 for mandated and deferred items

3. Tax Rate at 61.10 cents
   -includes mandated and new requirements for FY 11-12 and FY 12-13 with no additional increase for FY 12-13

NEXT STEPS

- June 6, 1:00 p.m.: Budget Work Session
- June 20, 4:00 p.m.: Budget Adoption