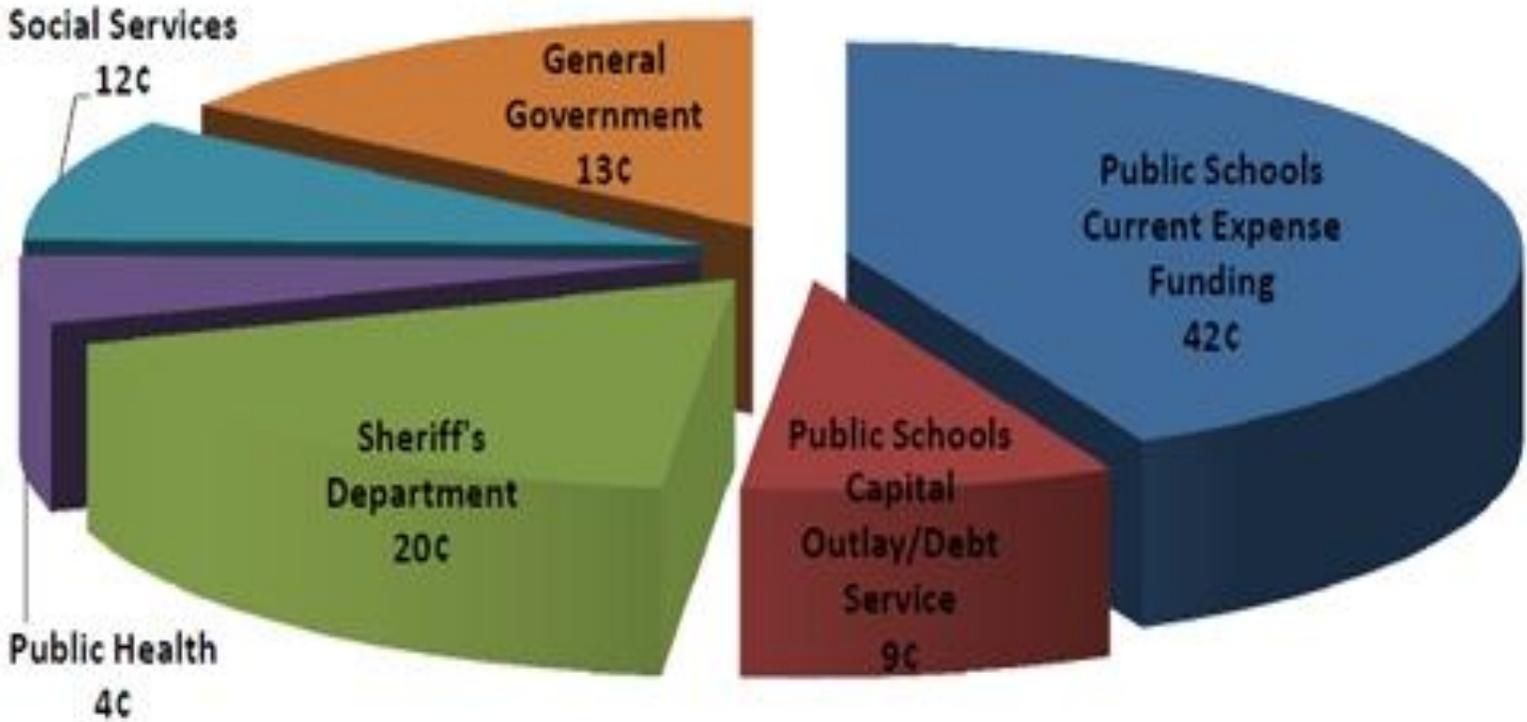


**PENDER COUNTY GOVERNMENT  
BUDGET CALENDAR: FY 12-13**

<b>TASK</b>	<b>DATE</b>
Budget Instruction Book to Department Heads	February 1, 2012
Outside Agencies Advised by Letter of Budgetary Timeframe	February 1, 2012
Requests from Outside Agencies Due	February 17, 2012
Department Requests Due to Finance Officer	March 2, 2012
Finalize Revenue Estimates	March 2, 2012
Budget Meetings with all Department Heads	March 12-March 23, 2012
Finalize Budgets	April 13, 2012
Distribute FY 12-13 Proposed Budget to BOCC	April 27, 2012
Advertise Public Hearing	April 25 & May 2, 2012
Budget Work Sessions with BOC	May 7; May 21; June 4: All from 1:00 p.m. to 3:30 p.m.
Public Hearing	May 21, 2012: 7:00 p.m.
Formal Adoption of Budget	June 18, 2012

**FY 11-12 Pender County Budget  
General Fund  
\$1 Property Tax Distribution**



**PENDER COUNTY CAPITAL DEVELOPMENT BUDGET PLAN  
GENERAL FUND**

<b>Economic Development</b>	<b>FY 12/13</b>	<b>FY 13/14</b>	<b>FY 14/15</b>	<b>FY 15/16</b>	<b>FY 16/17</b>
Industrial Shell Building-CDBG Loan	\$ 13,105.00	\$ 227,211.00	\$ 227,211.00	\$ 227,211.00	\$ -
Industrial Shell Building-Four County EMC Loan	\$ -	\$ -	\$ -	\$ 71,428.00	\$ 71,428.00
Industrial Development Reserve Fund	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00
Property Acquisition (BASf)	\$ 326,277.12	\$ 326,277.12	\$ 326,277.12	\$ 326,277.12	\$ -
<b>Subtotal Economic Development:</b>	<b>\$ 389,382.12</b>	<b>\$ 603,488.12</b>	<b>\$ 603,488.12</b>	<b>\$ 674,916.12</b>	<b>\$ 121,428.00</b>

<b>Capital Buildings</b>	<b>FY 12/13</b>	<b>FY 13/14</b>	<b>FY 14/15</b>	<b>FY 15/16</b>	<b>FY 16/17</b>
Courthouse Reserve Fund	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00
Jail/LEC Capital Project (Option A)	\$ 1,436,784.00	\$ 1,852,800.00	\$ 1,832,200.00	\$ 1,809,025.00	\$ 1,783,275.00
DSS Capital Project (Option A, 0% DSS Reimb.)	\$ 308,894.00	\$ 833,275.00	\$ 823,975.00	\$ 813,513.00	\$ 796,950.00
Topsail Regional Library Debt Service (\$6,000,000)	\$ -	\$ -	\$ -	\$ 502,075.00	\$ 502,075.00
Topsail Re. Library Complete Site Design	\$ 50,000.00	\$ -	\$ -	\$ -	\$ -
<b>Subtotal Capital Buildings:</b>	<b>\$ 1,845,678.00</b>	<b>\$ 2,736,075.00</b>	<b>\$ 2,706,175.00</b>	<b>\$ 3,174,613.00</b>	<b>\$ 3,132,300.00</b>

<b>Parks and Community Investments</b>	<b>FY 12/13</b>	<b>FY 13/14</b>	<b>FY 14/15</b>	<b>FY 15/16</b>	<b>FY 16/17</b>
Parks Reserve Fund	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00
Drainage Reserve Fund	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00
<b>Subtotal Parks and Community Investments:</b>	<b>\$ 100,000.00</b>				

<b>Total Capital Improvements:</b>	<b>\$ 2,335,060.12</b>	<b>\$ 3,439,563.12</b>	<b>\$ 3,409,663.12</b>	<b>\$ 3,949,529.12</b>	<b>\$ 3,353,728.00</b>
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**PENDER COUNTY MULTI-YEAR MAJOR NEW OPERATIONAL REQUIREMENTS PROJECTED  
GENERAL FUND**

		<u>FY 11/12</u>					
<u>Increase in Operational Expenditures</u>		<u>Budgeted</u>	<u>FY 12/13</u>	<u>FY 13/14</u>	<u>FY 14/15</u>	<u>FY 15/16</u>	
Loss of Lottery Funds	Recurring	\$ -	\$ 400,000.00	\$ -	\$ -	\$ -	
Responsibility for School Buses/WC	Recurring	\$ -	\$ -	\$ -	\$ -	\$ -	
Repl. P. School Debt Reserve Fund	Recurring	\$ 329,000.00	\$ 1,544,092.00	\$ -	\$ -	\$ -	
State Misdemeanants at County Jail	Recurring	\$ -	\$ -	\$ -	\$ -	\$ -	
Increased Detention Costs-Jail	Recurring	\$ 60,000.00	\$ -	\$ -	\$ -	\$ -	
Shell Building Payment	Recurring	\$ 13,105.00	\$ -	\$ 214,106.00	\$ -	\$ 71,428.00	(\$227,211 through FY 15/16; add \$71,428 starting FY 15/16 for 11 years [EMC])
BASF Payment	Recurring	\$ 326,278.00	\$ -	\$ -	\$ -	\$ -	(Last BASF payment: FY 15-16)
Increased DSS County Contribution	Recurring	\$ 490,000.00	\$ -	\$ -	\$ -	\$ -	
Employee Health Insurance Plan	Recurring	\$ 318,000.00	\$ -	\$ -	\$ -	\$ -	
Increase VFD Threshold to \$100,000	Recurring	\$ -	\$ 55,000.00	\$ -	\$ -	\$ -	(Maple Hill and Shiloh)
Unemployment Insurance	Recurring	\$ 70,000.00	\$ -	\$ -	\$ -	\$ -	
<b>Total Required:</b>		<b>\$ 1,606,383.00</b>	<b>\$ 1,999,092.00</b>	<b>\$ 214,106.00</b>	<b>\$ -</b>	<b>\$ 71,428.00</b>	
	<b>Tax Rate:</b>	<b>2.67</b>	<b>3.32</b>	<b>0.36</b>	<b>0.00</b>	<b>0.12</b>	
<b>Optional</b>							
FY 11-12 Fund Balance Used	Recurring	\$ 2,581,072.00	\$ 2,581,072.00				
New P. School Funds Requested (Est.)	Recurring	\$ -	\$ 500,000.00	\$ -	\$ -	\$ -	
New Personnel Costs	Recurring	\$ 153,340.00	\$ -	\$ -	\$ -	\$ -	
Additional Vehicle Replacement	Recurring	\$ 250,000.00	\$ 250,000.00	\$ -	\$ -	\$ -	Requires \$500,000 annually
Additional Beach Nourishment Funding	Recurring	\$ 37,500.00	\$ 37,500.00	\$ 37,500.00	\$ 37,500.00	\$ 37,500.00	Need increase through FY 20-21 to achieve one cent (\$600,000)
Employee COLA/Performance	Recurring	\$ -	\$ 225,000.00	\$ -	\$ -	\$ -	Would cover 1.8% COLA
Industrial Development Reserve	Recurring	\$ -	\$ 50,000.00	\$ -	\$ -	\$ -	
Drainage Reserve	Recurring	\$ -	\$ 50,000.00	\$ -	\$ -	\$ -	
Parks and Recreation Reserve	Recurring	\$ -	\$ 50,000.00	\$ -	\$ -	\$ -	
Courthouse Reserve	Recurring	\$ -	\$ 50,000.00	\$ -	\$ -	\$ -	
Jail-LEC Capital Project	Recurring	\$ 895,275.00	\$ 541,509.00	\$ 416,016.00	\$ -	\$ -	\$1,852,800 Debt Service in FY 13-14 (Option A)
DSS Capital Project	Recurring	\$ 225,000.00	\$ 83,894.00	\$ 524,381.00	\$ -	\$ -	\$833,275 Debt Service in FY 13-14 (Option A with 0% Reimbursement)
Increased Oper.Cost-New Jail Facility	Recurring	\$ -	\$ -	\$ 750,000.00	\$ 500,000.00	\$ -	Need to hire/train prior to opening new facility (spring of 2014).
Increased Operational Cost-DSS Facility	Recurring	\$ -	\$ -	\$ -	\$ 250,000.00	\$ -	
Increased Operational Cost-CFCC-SC	Recurring	\$ -	\$ -	\$ 100,000.00	\$ -	\$ -	
<b>Total Optional:</b>		<b>\$ 4,142,187.00</b>	<b>\$ 4,418,975.00</b>	<b>\$ 1,827,897.00</b>	<b>\$ 787,500.00</b>	<b>\$ 37,500.00</b>	
	<b>Tax Rate:</b>	<b>6.88</b>	<b>7.34</b>	<b>3.04</b>	<b>1.31</b>	<b>0.06</b>	
<b>TOTAL REQUIRED AND OPTIONAL:</b>		<b>\$ 5,748,570.00</b>	<b>\$ 6,418,067.00</b>	<b>\$ 2,042,003.00</b>	<b>\$ 787,500.00</b>	<b>\$ 108,928.00</b>	
	<b>Tax Rate:</b>	<b>9.55</b>	<b>10.67</b>	<b>3.39</b>	<b>1.31</b>	<b>0.18</b>	

Note: This spreadsheet does not include departmental CIP items as they are set forth in the CIP that covers the departments.

## PENDER COUNTY MAJOR DEPARTMENTAL REQUESTS (> \$25,000)

Department	FY 12/13	FY 13/14	FY 14/15	FY 15/16
<b>Board of Commissioners</b>				
Hampstead Annex Lease	\$ 117,297.00	\$ 117,297.00	\$ 117,297.00	\$ -
<b>Total Board of Commissioners:</b>	\$ 117,297.00	\$ 117,297.00	\$ 117,297.00	\$ -
<b>Board of Elections</b>				
Replace Voting Machines	\$ -	\$ -	\$ -	\$ 500,000.00
<b>Total Board of Elections:</b>	\$ -	\$ -	\$ -	\$ 500,000.00
<b>Housing</b>				
Seven Oaks Developer Fee (Contingency)	\$ -	\$ 58,294.00	\$ -	\$ -
<b>Total Housing:</b>	\$ -	\$ 58,294.00	\$ -	\$ -
<b>ITS</b>				
Exchange (Enterprise License Agreement - 3 Yrs)	\$ 24,638.00	\$ 24,638.30	\$ 13,170.50	\$ 23,170.50
ESRI (Enterprise License Agreement - 3 Yrs)	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00
Fiber Admin. Building to Howard Holly	\$ -	\$ 40,000.00	\$ -	\$ -
Computer Replacement Schedule	\$ 170,000.00	\$ 170,000.00	\$ 170,000.00	\$ 170,000.00
VOIP Phone System Upgrade - Unity & CM	\$ -	\$ 75,000.00	\$ 75,000.00	\$ -
Administrative Bldg. UPS System	\$ 75,000.00	\$ -	\$ -	\$ -
Howard Holly Bldg. UPS System	\$ -	\$ 75,000.00	\$ -	\$ -
Storage Area Network (SAN)	\$ 120,000.00	\$ -	\$ 120,000.00	\$ -
Wireless Management System	\$ -	\$ 25,000.00	\$ 25,000.00	\$ -
Server Virtualization	\$ 25,000.00	\$ 25,000.00		
Backup system	\$ -	\$ 40,000.00	\$ 40,000.00	\$ -
<b>Total ITS:</b>	\$ 464,638.00	\$ 524,638.30	\$ 493,170.50	\$ 243,170.50
<b>Library</b>				
RFID Conversion of Library Collection	\$ -	\$ 150,000.00	\$ -	\$ -
<b>Total Library:</b>	\$ -	\$ 150,000.00	\$ -	\$ -
<b>Planning and Development</b>				
Implement New Permitting System	\$ -	\$ 150,000.00	\$ -	\$ -
<b>Total Planning and Development:</b>	\$ -	\$ 150,000.00	\$ -	\$ -
<b>Public Health</b>				
Building Security	\$ -	\$ -	\$ -	\$ -
Implement Electronic Health Record System	\$ 150,000.00	\$ -	\$ -	\$ -
<b>Total Public Health:</b>	\$ 150,000.00	\$ -	\$ -	\$ -
<b>Public Works</b>				
Howard Holly Generator	\$ 120,000.00	\$ -	\$ -	\$ -
Equipment	\$ 261,000.00	\$ 120,000.00	\$ 85,000.00	\$ 85,000.00

Major Building Repairs	\$ 445,000.00	\$ 125,000.00	\$ 125,000.00	\$ 125,000.00
Administrative Building (805) Security	\$ 18,500.00	\$ -	\$ -	\$ -
HVAC	\$ 300,000.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00
<b>Total Public Works:</b>	<b>\$ 1,144,500.00</b>	<b>\$ 395,000.00</b>	<b>\$ 360,000.00</b>	<b>\$ 360,000.00</b>

#### DSS

Document Imaging	\$ 82,889.00	\$ 82,889.00	\$ 70,000.00	\$ 40,000.00
<b>Total Social Services:</b>	<b>\$ 82,889.00</b>	<b>\$ 82,889.00</b>	<b>\$ 70,000.00</b>	<b>\$ 40,000.00</b>

#### Tax Assessor

CAMA Tax Appraisal System (Prior to Reval)	\$ -	\$ -	\$ 250,000.00	\$ -
2019 Annual Funding Reserve	\$ 135,000.00	\$ 135,000.00	\$ 135,000.00	\$ 135,000.00
<b>Total Tax Assessor:</b>	<b>\$ 135,000.00</b>	<b>\$ 135,000.00</b>	<b>\$ 385,000.00</b>	<b>\$ 135,000.00</b>

<b>County Vehicle CIP</b>	<b>\$ 651,000.00</b>	<b>\$ 575,000.00</b>	<b>\$ 500,000.00</b>	<b>\$ 500,000.00</b>
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<b>TOTAL:</b>	<b>\$ 2,745,324.00</b>	<b>\$ 2,188,118.30</b>	<b>\$ 1,925,467.50</b>	<b>\$ 1,778,170.50</b>
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Note: Public Works items are grouped, but individual items are enumerated and available. County Vehicle CIP is detailed by department and is available.

**PENDER COUNTY SCHOOLS  
CURRENT EXPENSE AND CAPITAL OUTLAY FUNDING HISTORY**

**Total Funding (Current Expense and Capital Outlay)**

<u>FY Ending June 30</u>	<u>Total Funding</u>	<u>% Funding Change</u>	<u>Student Population</u>	<u>% Population Change</u>	<u>\$ Per Student</u>
2005	\$ 9,525,689.00		7184	3.11%	\$ 1,325.96
2006	\$ 9,602,043.00	0.80%	7412	3.17%	\$ 1,295.47
2007	\$ 10,522,539.00	9.59%	7692	3.78%	\$ 1,367.98
2008	\$ 12,049,969.00	14.52%	7959	3.47%	\$ 1,514.01
2009	\$ 15,166,690.00	25.86%	8156	2.48%	\$ 1,859.57
2010	\$ 14,589,690.00	-3.80%	8206	0.61%	\$ 1,777.93
2011	\$ 14,345,614.00	-1.67%	8530	3.95%	\$ 1,681.78
2012	\$ 14,347,050.00	0.01%	8477	-0.62%	\$ 1,692.47

**Current Expense Funding**

<u>FY Ending June 30</u>	<u>Current Expense Funding</u>	<u>% Funding Change</u>	<u>Student Population</u>	<u>% Population Change</u>	<u>\$ Per Student</u>
2005	\$ 8,299,558.00		7184	3.11%	\$ 1,155.28
2006	\$ 8,590,043.00	3.50%	7412	3.17%	\$ 1,158.94
2007	\$ 9,234,539.00	7.50%	7692	3.78%	\$ 1,200.54
2008	\$ 10,839,969.00	17.39%	7959	3.47%	\$ 1,361.98
2009	\$ 12,489,100.00	15.21%	8156	2.48%	\$ 1,531.28
2010	\$ 13,389,690.00	7.21%	8206	0.61%	\$ 1,631.70
2011	\$ 13,235,614.00	-1.15%	8530	3.95%	\$ 1,551.65
2012	\$ 13,237,050.00	0.01%	8477	-0.62%	\$ 1,561.53

**Capital Outlay Funding**

<u>FY Ending June 30</u>	<u>Capital Outlay Funding</u>	<u>% Funding Change</u>	<u>Student Population</u>	<u>% Population Change</u>	<u>\$ Per Student</u>
2005	\$ 1,226,131.00		7184	3.11%	\$ 170.68
2006	\$ 1,012,000.00	-17.46%	7412	3.17%	\$ 136.54
2007	\$ 1,288,000.00	27.27%	7692	3.78%	\$ 167.45
2008	\$ 1,210,000.00	-6.06%	7959	3.47%	\$ 152.03
2009	\$ 2,677,590.00	121.29%	8156	2.48%	\$ 328.30
2010	\$ 1,200,000.00	-55.18%	8206	0.61%	\$ 146.23
2011	\$ 1,110,000.00	-7.50%	8530	3.95%	\$ 130.13
2012	\$ 1,110,000.00	0.00%	8477	-0.62%	\$ 130.94

Note: Current Expense Funding total includes SRO officers the County provides.

## BOCC OUTSIDE AGENCY APPROPRIATIONS

<u>Agency Name</u>	<u>FY 08-09</u> <u>Funded</u>	<u>FY 09-10</u> <u>Funded</u>	<u>FY 10-11</u> <u>Funded</u>	<u>FY 11-12</u> <u>Funded</u>	<u>FY 12-13</u> <u>Requested</u>
Beach Nourishment Funding	\$200,000.00	\$225,000.00	\$225,000.00	\$262,500.00	\$0.00
Burgaw Depot	\$25,000	\$0	\$0	\$0	\$0.00
Cape Fear CC-Burgaw Campus	\$144,449	\$255,926	\$185,711	\$225,000	\$0.00
Cape Fear CC-Surf City Campus	\$0	\$100,000	\$0	\$0	\$0.00
Cape Fear RC&D	\$9,000	\$6,750	\$6,750	\$9,000	\$0.00
Highway 17 Association	\$7,500	\$6,000	\$6,000	\$7,500	\$0.00
Lower Cape Fear River Program	\$4,000	\$4,000	\$4,000	\$4,000	\$0.00
Masters Program	\$10,000	\$10,000	\$10,000	\$10,000	\$0.00
Military Growth Task Force	\$3,125	\$3,125	\$0	\$0	\$0.00
Pender Adult Services	\$93,928	\$93,928	\$93,928	\$103,366	\$0.00
Pender Adult Services-Land Acquisition	\$0	\$0	\$0	\$30,000	\$0.00
Pender Soil and Water Conservation Dist.	\$81,247	\$72,874	\$72,874	\$75,374	\$0.00
Southeastern Center for Mental Health	\$174,070	\$156,000	\$156,000	\$156,000	\$0.00
Town of Wallace (Airport)	\$30,000	\$30,000	\$30,000	\$15,000	\$0.00
WID	\$92,000	\$92,000	\$92,000	\$92,000	\$0.00
<b>Total:</b>	<b>\$874,319</b>	<b>\$856,319</b>	<b>\$882,263</b>	<b>\$989,740</b>	<b>\$0</b>

**BOCC NON-PROFIT APPROPRIATIONS**

<u>Group Name</u>	<u>FY 08-09</u> <u>Funded</u>	<u>FY 09-10</u> <u>Funded</u>	<u>FY 10-11</u> <u>Funded</u>	<u>FY 11-12</u> <u>Funded</u>
Atkinson Library	\$ 2,687.00	\$ -	\$ 2,500.00	
Browntown Softball Field	\$ -	\$ -	\$ 1,500.00	
Canetuck Community Ctr.	\$ -	\$ -	\$ 2,000.00	
Cape Fear River Assembly	\$ -	\$ -	\$ -	
Carousel Center	\$ 10,000.00	\$ 10,000.00	\$ 1,000.00	
Caswell Development Ctr.	\$ 270.00	\$ 150.00	\$ 225.00	
Dixie Youth Ponytails (National Tour.)	\$ -	\$ -	\$ 1,000.00	\$ 4,000.00
Eastern Pender Pop War.	\$ 3,362.00	\$ 850.00	\$ 1,000.00	
Edgecombe Community Ctr	\$ -	\$ -	\$ 3,000.00	
Friends of Pender County Animal Shelter			\$ 500.00	
Helping Hands Outreach	\$ -	\$ -	\$ 1,250.00	
Hill's Chapel Missionary Church Youth	\$ -	\$ -	\$ 300.00	
Maple Hill Civic Club	\$ -	\$ -	\$ 4,775.00	
Masters Program	\$ -	\$ 1,000.00	\$ 1,000.00	
Miracle Temple Ministries	\$ -	\$ 500.00	\$ 500.00	
Newkirk Chapel Youth	\$ -	\$ -	\$ 1,250.00	
New Pike Creek Missionary Baptist Youth	\$ -	\$ -	\$ 300.00	
North Topsail Elem. PTA	\$ -	\$ -	\$ 4,500.00	
Pender County Activity Council	\$ -	\$ -	\$ 1,250.00	
Pender Co. Christian Services	\$ -	\$ 2,500.00	\$ 1,750.00	
Pender County Museum	\$ -	\$ 5,000.00	\$ 3,000.00	
Pender County Training Center Alumni	\$ -	\$ -	\$ 750.00	
Pike Creek Missionary Baptist Youth	\$ -	\$ -	\$ 300.00	
Pender Pride	\$ 2,500.00	\$ 1,250.00	\$ -	
Penderlea Homestead Museum	\$ 20,000.00	\$ -	\$ 3,250.00	
Riley's Creek Baptist Church Youth			\$ 550.00	
Rocky Point Community Center	\$ -	\$ -	\$ 800.00	
Safe Haven of Pender, Inc.	\$ 10,000.00	\$ 7,500.00	\$ 3,500.00	
South Topsail Elem. PTA	\$ -	\$ -	\$ 1,500.00	
Springfest	\$ -	\$ -	\$ -	
Topsail Elementary PTA	\$ -	\$ -	\$ 1,500.00	
Willard Outreach	\$ 3,000.00	\$ 1,000.00	\$ 1,250.00	
Wilmington Area Rebuilding Min. (WARM)	\$ -	\$ -	\$ -	
<b>Total:</b>	<b>\$ 51,819.00</b>	<b>\$ 29,750.00</b>	<b>\$ 46,000.00</b>	<b>\$ 4,000.00</b>

**PENDER COUNTY SOLID WASTE FUND CIP**

<b>Capital Facilities</b>	<b>FY 12/13</b>	<b>FY 13/14</b>	<b>FY 14/15</b>	<b>FY 15/16</b>
Relocate Hampstead Conv. Site (\$500,000)	\$ 110,741.00	\$ 110,741.00	\$ 110,741.00	\$ 110,741.00
Relocate Transfer Station (\$3.0 m)	\$ 201,647.00	\$ 201,647.00	\$ 201,647.00	\$ 201,647.00
<b>Total:</b>	<b>\$ 312,388.00</b>	<b>\$ 312,388.00</b>	<b>\$ 312,388.00</b>	<b>\$ 312,388.00</b>

\* Initial Five-Year Funding provided in FY 11-12

**FUND BALANCE POSITION**

June 30, 2011 Fund Balance:	\$30,973,421.00
June 30, 2011 Undesignated Fund Balance:	\$14,000,082.00
% of FY 11-12 Budgeted Expenditures:	28.32%
Undesignated Fund Balance Policy Minimum:	30.00%
30% Undesignated Fund Balance Shortfall:	\$831,144.00
Fire Department Appropriation 12/12/11:	\$293,933.00
DSS Appropriation 12/12/11:	<u>\$57,908.00</u>
Total Shortfall to Achieve 30% Threshold:	\$1,182,985.00

Note: \$3 million reserved by BOCC in FY 11-12 budget ordinance for Pender Commerce Park Wastewater Plant. Otherwise, undesignated fund balance would be 34.39% at June 30.

## MEMORANDUM

TO: Chairman Brown and Members of the Board of Commissioners

FROM: Rick Benton, County Manager

DATE: January 3, 2012

SUBJECT: Request for Potential Annual Budget Cost Reductions

Recently Commissioner Rivenbark requested a report be prepared for the Board regarding potential ways to cut the County's budget. Prior to this request, I had staff survey 7 counties of similar population to Pender County in order to create a comparison of selected budget related data. The following narrative speaks to the county comparisons as well as the budget information requested by Commissioner Rivenbark. A copy of both documents is attached to this memorandum.

### Various County Comparisons FY 11-12

After adoption of the FY 11-12 annual budget I felt it would be helpful to the Board to see a comparison of various budget related data between Pender County and other counties of similar size. The counties selected included four surrounding counties (Bladen, Columbus, Duplin and Sampson) and three other counties (Halifax, Hoke and Stokes). Despite being close in total population, there are many varieties in counties and in the services counties provide. For example, there are great disparities in demographics among counties and regions which certainly impact types of services provided as well as service levels. School populations, crime rates, service levels, service delivery by other agencies, along with other factors influence county budgets so one should be careful in simply comparing numbers without more closely understanding the details behind the numbers. Regardless, this type of comparison is useful when kept in perspective. I must also say that the data gathered for this comparison came directly from contacting employees of those jurisdictions. If any numbers are inaccurate it is because of the incorrect input from the counties surveyed. Please also note that when "average is cited" it means the average of the jurisdictions excluding Pender.

The spreadsheet of Various County Comparison FY 11-12 is self-explanatory but I wanted to highlight a few points. Pender County employs 6.68 employees/1000 population while the average (excluding Pender) is 9.71 employees/1000 population. Since personnel costs represent 37% of the County's general fund budget, this comparison speaks favorably to Pender County's maximization of personnel resources.

The County's tax rate compares very favorably to the average, as county taxes on a \$250,000 home in Pender are \$1,280 as compared to the average of \$1,707.

For FY 11-12 Pender County appropriated \$14,347,050 for public schools (excluding debt service), while the average is \$7,592,853. Funding per student for Pender is \$1,692 versus an average of \$1,073. Pender County's school debt service payment for FY 11-12 is \$6,384,048 compared to the average of \$2,523,053.

All surveyed counties provide Emergency Medical Services (EMS) as a County department and function. EMS services in Pender are contracted with Pender EMS and Rescue, Inc., a non-profit entity. There has

been some discussion between the County and Pender EMS regarding merging EMS as a county department in the near future.

Certainly there are many more comparisons of county budgets and service that could be compared, and the Board may desire to seek additional comparisons in the future depending on issues of interest.

### Potential Cost Savings

In response to Commissioner Rivenbark's request, I asked the County's department heads to offer their suggestions for potential budget cuts along with ideas that I could identify. The spreadsheet attached outlines these areas, potential cost savings and comment. Many of the items and potential cost savings are straight-forward and easy to calculate (eliminating certain positions), while others reflect estimates and requires more detailed evaluation (modifications to the health insurance plan for example). The potential cuts are merely listed for the Board's review and consideration, and do not come as "recommendations". As you can see, some of the items would not be palatable, would create considerable concern and have serious impact on services, while others may have a somewhat insignificant impact overall. A good many of these suggestions have been discussed or considered in the recent past.

There is one issue the Board has discussed in the past that is not on this spreadsheet, and that is the issue of post employment benefits. The County's current liability for retiree health insurance is right at \$1,000,000 and that will continue to grow as time passes. Mr. McCole has shared with the Board many times that this liability is unfunded, but is being funded on an on-going annual basis (\$84,946 for FY 11-12). We have recommended that at some point in the future, in order to address the financial liability issue long-term, the County may desire to cease granting this post-employee benefit. Of course, current employees would be grandfathered, but a date could be set to where employees hired after that date would not have this employee benefit.

Certainly there are other areas of the County's budget that can be identified and evaluated for cost reductions and savings. While many of the County's programs are "mandatory", the level of mandatory service is discretionary. For example, counties are required to provide public health services, but only certain essential programs are mandated to be provided. Another example of a mandated program is building inspections, but the number of inspectors is left to the discretion of the County. DSS is an area the Board may desire to evaluate more closely as the County's appropriation grew from \$3.09 million in FY 10-11 to \$3.75 million for FY 11-12. DSS provides approximately 25 programs, and the funding streams, cost shares, reimbursements, etc. for all the programs vary. As well, human service program demand is expected to continue to grow. Enhancements in the use of technology by DSS will help offset the need for additional future personnel, however demand may result in personnel needs and associated costs out-pacing cost savings from technology enhancements. As well, opportunities to consolidate DSS and Public Health into one human service agency (subject to legislative authorization) can potentially result in operational and perhaps capital cost savings, as well as enhanced customer service.

While the Board is rightfully interested in potential budget cuts and reductions, it must be cognizant of the fact the County annually faces challenges in simply maintaining funding current services at current costs. Departments face on-going funding challenges with utilities, fuel, maintenance of facilities and equipment, staff needs, and so forth. Trying to address and fund increases for these normal operating cost increases and adjustments are exacerbated with the sometimes conflicting focus on budget cuts. As a result, many potential service enhancements and new services that departments have desired to implement in the past few years have simply been abandoned or deferred.

One other major budget-finance issue the Board should consider is how best to address the current capital facility needs relative to the impact on budget. A new Topsail Regional Library (along with converting the current library into the Hampstead Annex), a new Jail/Law Enforcement Center, and a new DSS Center are major capital projects the BOCC has considered and prepared plans for in the past couple years. The cost of these facilities is considerable: Library-\$6,000,000; Jail/LEC-\$21,380,000; DSS-\$9,465,000. The annual debt service estimates which will impact the annual budget are also considerable: Library-\$475,000; Jail/LEC-\$1,800,000; DSS-\$833,000. And increased annual operating costs are considerable: Library-\$300,000; Jail/LEC-\$1,250,000; DSS-\$250,000.

The financial impact the budget to pay for debt service and increased operating costs is very significant. However in the current economic environment, the cost to borrow money and the construction costs remain at very low levels thus it is a good time to address capital projects. The Board will simply to analyze the options (and other factors influencing the projects), and determine a preferred course of action to address the capital facility needs.

In summary, the Board of Commissioners has a lot of discretion and flexibility in the level of services it desires to provide to the citizenry for various county government functions. The annual planning session scheduled in January will be a logical starting point for an in-depth review of the current financial condition and upcoming budget issues for FY 12-13 and beyond.

**VARIOUS COUNTY COMPARISONS FY 11-12**

	<u>Pender</u>	<u>Bladen</u>	<u>Columbus</u>	<u>Duplin</u>	<u>Halifax</u>	<u>Hoke</u>	<u>Sampson</u>	<u>Stokes</u>	<u>Average (excluding Pender):</u>
1. Population	52217	35190	58098	58505	54691	46952	63431	47401	52038
2. Total FTE Employees/1000 Pop.	6.68	13.36	8.74	8.80	9.90	11.50	9.62	6.05	9.71
3. FY 11-12 Tax Rate	\$0.5120	\$0.7400	\$0.8150	\$0.7100	\$0.4655	\$0.5850	\$0.7850	\$0.6800	\$0.6829
4. Most Recent Revaluation	2011	2007	2005	2010	2007	2010	2011	2009	2008
5. Taxes on \$250,000 Home	\$1,280.00	\$1,850.00	\$2,037.50	\$1,775.00	\$1,163.75	\$1,462.50	\$1,962.50	\$1,700.00	\$1,707.32
6. Total GF Budget	\$49,437,421.00	\$36,814,649.00	\$50,479,470.00	\$48,905,947.00	\$35,617,215.00	\$37,820,340.00	\$47,239,650.00	\$41,044,400.00	\$42,560,238.71
7. GF Budget per Capita	\$946.77	\$1,046.17	\$868.87	\$835.93	\$651.24	\$805.51	\$744.74	\$865.90	\$831.19
8. DSS FTE Employees	103	92	142	115	171	138	132	58	121
9. DSS FTE/1000 population	1.97	2.61	2.44	1.97	3.13	2.94	2.08	1.22	2.34
10. DSS Funding FY 11-12	\$3,751,635.00	\$2,464,910.00	\$3,814,954.00	\$3,071,986.00	\$4,655,392.00	\$3,729,894.00	\$3,612,038.00	\$1,831,163.00	\$3,311,476.71
11. DSS Local Funding/Capita	\$71.85	\$70.05	\$65.66	\$52.51	\$85.12	\$79.44	\$56.94	\$38.63	\$64.05
12. Sheriff Sworn Officers/1000 Pop.	1.13	1.08	1.36	1.04	1.01	1.13	1.43	0.84	1.13
13. Public Health Budget	\$3,542,035.00	\$3,797,604.00	\$6,661,672.00	\$3,596,323.00	\$6,798,253.00	\$5,659,326.00	\$2,899,408.00	\$1,665,622.00	\$4,439,744.00
14. Public Health Bud./Capita	\$67.83	\$107.92	\$114.66	\$61.47	\$124.30	\$120.53	\$45.71	\$35.14	\$87.11
15. Public Health FTE/1000 Population	0.90	1.76	1.17	1.01	1.74	1.77	0.65	0.65	1.25
16. Public School Local Funding (O & CO)	\$14,347,050.00	\$6,059,019.00	\$5,365,114.00	\$10,615,942.00	\$8,341,620.00	\$4,779,208.00	\$7,564,508.00	\$10,424,563.00	\$7,592,853.43
17. # students	8477	5123	6800	8000	8392	7588	7000	6900	7115
18. Public School Funding/Student	\$1,692.47	\$1,182.71	\$788.99	\$1,326.99	\$994.00	\$629.84	\$1,080.64	\$1,510.81	\$1,073.42

	<u>Pender</u>	<u>Bladen</u>	<u>Columbus</u>	<u>Duplin</u>	<u>Halifax</u>	<u>Hoke</u>	<u>Sampson</u>	<u>Stokes</u>	<u>Average (excluding Pender):</u>
19. Annual Public School Debt Service	\$6,384,048.00	\$2,037,050.00	\$219,643.00	\$1,239,738.00	\$2,195,836.00	\$1,267,952.00	\$8,099,789.00	\$2,601,364.00	\$2,523,053.14
20. EMS: County Department or Separate	Separate	County	County	County	County	County	County	County	
21. EMS Tax Rate (Yes/No)	Yes	No	No	No	No	No	No	No	
22. EMS Tax Rate	\$0.65	NA	NA	NA	NA	NA	NA	NA	
23. EMS Annual Budget	\$5,805,262.00	\$2,582,097.00	\$1,286,595.00	\$4,640,882.00	\$4,076,747.00	\$2,897,128.00	\$3,623,910.00	\$2,469,776.00	\$3,082,447.86

Item	Potential Cost Saving	Comment
1 Defer Jail/LEC Construction	\$ 1,436,000.00	Recommended appropriation for FY 12-13 for professional design costs, etc. to go with FY 10-11 approp./ \$1,852,800 is required for Option A FY 13-14 debt service.
2 Defer DSS Construction	\$ 308,894.00	Recommended appropriation for FY 12-13 for professional design costs, etc. to go with FY 10-11 approp./ \$833,275 is required for Option A FY 13-14 debt service.
3 Close Hampstead Annex	\$ 117,297.00	Lease payment; will result in centralizing services again; will also eliminate additional utility costs in having the annex
4 Reduce 1 Hampstead Permit Tech	\$ 38,850.00	Transfer 1 remaining permit technician to Burgaw
5 Reduce 1 Hampstead Building Inspector	\$ 53,800.00	Transfer 1 remaining building inspector to Burgaw
6 Eliminate 7 New DSS SW's Approved in FY 10-11	\$ 126,000.00	These were added by BOCC in FY 10-11 annual budget; will impact timeliness of services; current 1.97 employees/1000 pop. vs 2.34 average (comparable counties)
7 Eliminate 4 New Deputies Restored Last 2 Years	\$ 180,000.00	These have been restored the past two years by the BOCC; will impact law enforcement service delivery; current 1.13 sworn offices/1000 pop., equals average
8 Provide "Essential" Public Health Services Only	\$ 196,000.00	Loss of state and grant funds for other programs would be eliminated resulting in total budget reduction from \$3.6 m to 1.6 m; loss of about 20 employees
9 Eliminate 1 Planner	\$ 46,900.00	Planners have been working on long-range issues/plans during development slowdown; would slow down long range planning efforts
10 Eliminate Employee Longevity Payments	\$ 149,000.00	Negative impact on employees; particularly without COL's last few years
11 Eliminate Tourism Program	\$ 133,500.00	Would shift tourism promotion solely to 3 Chambers and 2 Tourism Offices in municipalities
12 Eliminate Masters Funding for Schools	\$ 10,000.00	No reimbursements for teachers pursuing Master degrees
13 Reduce P. School Capital Outlay Funding 25%	\$ 277,500.00	Less funding for school capital outlay-equipment needs
14 Reduce P. School Operational Funding 25%	\$ 3,309,262.00	Less operational funding; Current total school funding-\$14,347,050 vs. \$7,592,853 average for counties of similar size population
15 Reduce Forest Service Funding 25%	\$ 57,500.00	Will impact level of services provided
16 Reduce Beach Nourishment Funding 50%	\$ 131,250.00	Towns will have to make up difference; FY 11-12 amount is \$262,500; FY 12-13 amount is proposed at \$300,000-working towards 1 full cent within 10 years
17 Reduce Pender Adult Services Funding 25%	\$ 25,750.00	Will impact senior services
18 Reduce SE Center for MH Funding 25%	\$ 39,000.00	Will impact services provided
19 Eliminate Wallace Airport Funding	\$ 7,500.00	Will likely result in future capital fundng requests
20 Reduce WID Funding 25%	\$ 23,000.00	Will potentially impact service delivery
21 Reduce Lower Cape Fear River Program 25%	\$ 1,000.00	May impact ability for environmental monitoring services
22 Eliminate Highway 17 Association Dues	\$ 7,500.00	May lose lobbying support of Association for US 17 funding
23 Eliminate Cape Fear RC&D Dues	\$ 9,000.00	Will lose membership, and ability to contract for environmental/conservation project services such as the Maple Hill Wastewater Project
24 Eliminate Non-Profit Funding	\$ 4,000.00	Only \$4,000 appropriated to date in FY 11-12; no non-profit funding would be available
25 Modify Health Insurance Program	\$ 75,000.00	Increase deductibles for individuals and families; revert to 70/30 vs 80/20; hard to estimate since much is based on claims; could jeopardize plan "grandfathering"
26 No Vehicle Replacement for FY 12-13	\$ 250,000.00	Actual need is \$500,000 annually for about 22 vehicles; only appropriated \$250,000 for FY 11-12; replacement funding required will grow
27 Reduce Employee Travel to Essential Only	\$ 15,000.00	Eliminate all conferences and allow only required training to maintain required certifications
28 Eliminate or Significantly Reduce BOCC Travel	\$ 4,000.00	This would restrict Commissioner travel to conferences, etc. and participation in NCACC, etc.
29 Reduce BOCC Salaries & Travel Allowances	\$ 17,750.00	Reduces BOCC member salary by 25%, travel allowance by 25%, and travel by 50%
30 Close Libraries on Saturdays and 1/2 a Week Day	\$ 25,000.00	Will impact availability of library services to citizens; could negatively impact County's maintenance of effort funding requirement to assure state funding
31 Eliminate Employee Drug Testing and EAP	\$ 9,500.00	Will impact quality of workforce; just implemented with new personnel policy adoption
32 Implement Beaver Program User Fees	\$ 6,000.00	Users of service will pay a fee to BMAP; saving the County \$6,000
33 Reduce County Share for Coop. Ext. Salaries	\$ 15,500.00	Cooperative Extension will either make up dollars lost, or more likely eliminate one of their specialist positions
34 Reduce FSA Budget Share 25%	\$ 18,750.00	FSA will either make up dollars lost or reduce personnel
35 Eliminate Newspaper Advertisement of Agendas	\$ 9,000.00	Upcoming BOCC agendas will not be published in the newspapers; some readers may not have access to website
36 Eliminate Part-Time Veterans Staff in Annex	\$ 21,000.00	Will increase delays in responding to veteran needs
<b>Total Potential Budget Cuts:</b>	<b>\$ 7,155,003.00</b>	

Note: These items are potential areas for budget reductions, without regard to how palatable or politically acceptable. Some areas may be reduced more, or less depending on objectives, need and demand. While some departments offered budget reductions, the majority did not submit any recommended cuts or reductions.

## **POTENTIAL FY 12-13 BUDGET DISCUSSION ITEMS**

- Use of Undesignated Fund Balance and Fund Balance Policy
- Major New Funding Requirements
- Public School Funding
- Capital Project Funding (Jail/LEC and DSS; & Options A & B for each)
- Outside Agency Funding
- Non-Profit Funding
- Potential Areas for Budget Cuts & Reductions
- Water-Sewer & Solid Waste Rate Adjustments
- Volunteer Fire Department Budgets & Tax Rates
- Employee COLA or Performance Awards
- FY 12-13 Tax Rate Target