

**BUDGET WORK SESSION  
MAY 3, 2010**

The Pender County Board of Commissioners continued their regular meeting to a budget work session at 1:17 p.m.

Mr. Benton delivered a Power Point presentation which included: FY 10/11 Budget Highlights: What's Good; What's Not; General Fund Revenue Comparison; Tax Base Growth; Sales, Services Budgeted Revenue; Major Impacts for FY 10/11; Capital Improvements; Human Resource Issues; Vehicle Replacement Issues; Major Facility Maintenance Funding; Public Schools Recommendation; Outside Agency Funding; Potential Additional Budget Cuts/Revenue; Proposed One-Time Fund Balance Expenditures; and Fund Balance Position. The Enterprise Funds slide is to be presented by Utilities Director Michael Mack at the next work session on May 17, 2010. Some highlights included: the proposed budget does not include a tax increase; the proposed General Fund budget is \$47,949,148, representing a \$1.3 million decrease from this year's budget; the overall budget is \$74.3 million, more than \$900,000 less than this year; General Fund revenues for FY 2010-11 are expected to be nearly \$500,000 less than this year; and the proposed budget includes a \$1.9 million expenditure from the fund balance for one-time expenditures. The proposed budget includes a 3.5% decrease in school current expense funding and 7.5% decrease for capital items; 12.8 % decrease for the Health Department; 7.2% decrease for DSS; 6.6% decrease for the Library; no funding for the Sheriff Department for seven requested positions; reduced funding in 11 of 21 General Fund departments; all funding for non-profit agencies eliminated, except \$50,000 in discretionary funds for the Board to use for non-profits; no cost-of-living or other pay increases for county employees other than mandated ones; deferred vehicle replacements, technology and software enhancement, and building maintenance; and no capital funding for the new Topsail Library Project, the Jail or DSS, and no contingency funding.

Finance Director David McCole presented a Revenue Picture which included: Summary of Revenues; Summary of Revenues Pie Chart; Budget FY 10-11 Property Taxes Pie Chart; Sales, Services & Other Revenues; Intergovernmental Revenues; General Fund Appropriated Fund Balance; Undesignated Fund Balance-Percent of Current Year Expenditure; Undesignated Fund Balance (General Fund) Chart; Property Taxes; Sales Tax Revenue; Summary of Expenditures; and General Fund Appropriations Pie Chart. Mr. McCole explained each topic and Board members asked questions.

Some of the issues Board members discussed and asked questions included cuts in the Schools' funding; Health and DSS cuts and how they affect services; how the low wealth formula works for counties; effective tax rates; importance of Fund Balance; cuts of hours and employees at the Library. Tax Assessor Coby Heath explained how the Effective Tax Rate works. Mr. Tate said we need to take a look at the 3.5 cent tax increase that voters approved that was delayed last year. Mr. Williams said right now is a good time to make investments and he would like to reserve the right to come back and make a request to revisit the issue of using Fund Balance to make investments. Mr. Blanchard said he agrees that it would be more prudent to go to someone like Rural Development to finance projects like the Topsail Library than using Fund Balance to fund it. He asked the County Manager to look into this. There was more discussion of how much revenue a tax increase will generate, funding for the current library and the Schools budget. Mr. Tate said he has a problem with continuously adding to the Schools' budget when we don't give anymore to our own departments.

At 3:15 p.m., Mr. Blanchard made a motion to continue the Budget Work Session to May 17 at 2:00 p.m. and it was unanimously approved.

Respectfully Submitted,

*Glenda Pridgen*

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Glenda Pridgen, Deputy Clerk to the Board

Reviewed By:

*Rick Benton*

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Rick Benton, Clerk to the Board