

**COLUMBUS COUNTY BOARD OF COMMISSIONERS
CALLED SPECIAL MEETING**

May 31, 2006

6:00 P.M.

The Honorable Columbus County Commissioners met on the above stated date and at the above stated time in the Economic Development Conference Room, Administration Building, 111 Washington Street, Whiteville, North Carolina, for the purpose of holding a Special Called Meeting for the purpose of receiving the Proposed 2006 - 2007 Columbus County Operating Budget.

COMMISSIONERS PRESENT:

Kipling Godwin, **Chairman**
David L. Dutton, Jr., **Vice Chairman**
Amon E. McKenzie
James E. Prevatte
Sammie Jacobs
Bill Memory
Lynwood Norris

APPOINTEES PRESENT:

Jimmy Varner, **Interim County Manager**
Steven W. Fowler, **County Attorney**
June B. Hall, **Clerk to Board**

APPOINTEE ABSENT:

Roxanne Coleman, **Finance Officer**

MEETING CALLED TO ORDER:

At 6:00 P.M., Chairman Godwin called the Special Called Meeting to order which was duly advertised, and stated the purpose of the Special Called Meeting was to receive the Proposed 2006 - 2007 Columbus County Operating Budget from Jimmy Varner, Interim Columbus County Manager/Budget Officer.

PRESENTATION of the PROPOSED 2006 - 2007 COLUMBUS COUNTY OPERATING BUDGET:

Jimmy Varner, Interim Columbus County Manager/Budget Officer, presented the Proposed 2006 - 2007 Columbus County Operating Budget accompanied by the following Budget message.

BUDGET MESSAGE

TO: Mr. Kipling Godwin, Chairman
The Honorable Columbus County Board of Commissioners

FROM: Jimmy M. Varner, Interim County Manager

DATE: **May 29 31, 2006**

RE: **Columbus County Fiscal Year 2006-2007 Budget Message**

Overview

These comments are an attempt to inform our citizens how and why budgets are done. The Proposed Budget for fiscal year 2006-2007 is presented in accordance with the North Carolina Budget and Fiscal Control Act, North Carolina General Statutes, and NCGS 153A-82. North Carolina law states that a balanced budget must be publicly presented by June 1 and a balanced budget adopted by June 30. A balanced budget takes months of preparation before it can be submitted. It requires input from all county departments to provide detailed information needed to balance such a budget. Administration and department heads meet to discuss their individual departmental requests. As you can see in the proposed budget, most departmental requests are minimal over fiscal year 2005-2006. Below you will find an overview of some of the highlights of this proposed budget.

<u>TY Budget</u>	<u>LY Amended Budget</u>	<u>Increased dollars</u>	<u>Percent Increased</u>
\$73,831,994	\$70,201,848	\$3,631,146	5.17%

Additional line item increases over 2005-2006

Medicaid 2005-2006	\$4,250,000
2006-2007	\$5,400,000 (increased \$1.25 million)
Detention Center / Williams School Debt Service	\$956,288

395

Detention Center / Operations & Maintenance	\$500,000
Fuel Increases	<u>\$100,000</u>
Total	\$2,806,288

Staff Increases

Five (5) new positions have been added to the Sheriff's Department for the detention center addition, eight (8) positions for DSS and one (1) position for parks and recreation.

Employee COLA Adjustments

Cost of living adjustments (COLA) of 3% have been budgeted along with a 401-K contribution of 2% across the board.

Enterprise Funds

Solid Waste – Solid Waste fees to increase as follows:

The proposed fee schedule is:

Regular Tipping Fees	49.31/ton (from \$47.19 based on a projected 4.5%
LCID Tipping Fees	36.58/ton (from \$35.00 based on a projected 4.5% CPI)

Operations Fees:	a) County Resident	180/year (Proposed increase from \$177.00)
	b) Municipal Resident	93.48/year (Proposed increase from \$90.48)

Increases in operation fees are necessary to help offset a proposed 3.71% residential contract increase by Waste Management effective July 1. The CPI increase is allowed per Waste Management's contract.

Water District I – 1103 total customers. Water District I's revenues are sufficient to pay its expenditures. The minimum charge for the first 2,000 gallons of \$21 (no increase) and a flat charge of \$4.00 per thousand gallons for all usage over 2,000 gallons remain the same as the previous year.

Water District II – 1,212 total customers. The continuation of the 9 cents property tax (projected at \$300,860) is again proposed to help pay the projected debt service of approximately \$425,940 for fiscal year 2006-2007. A flat rate of \$24.00 per month (increased from \$21.00) and \$4.00 per thousand gallons for all usage over 2,000 gallons is proposed for the 2006-2007 fiscal year, generating an estimated revenue of approximately \$351,000. After operation and maintenance expenses are calculated, this district has limited funds available to address additional customer connections and unforeseen operation and maintenance expenses.

Water District III – 853 total customers. A property tax rate of 13 cents (approximately \$230,000) is again proposed to continue to help pay the projected debt service of \$759,366. A flat rate of \$25.00 (increased from \$22.00) per month and \$4.00 per thousand gallons for all usage over 2,000 gallons is calculated for the 2006-2007 fiscal year, with an estimated revenue of approximately \$287,000. A shortfall of approximately \$242,366 is still projected. This shortfall needs to be addressed soon, to insure funds will be available to address additional customer connections and operation and maintenance expenses.

Water District IV – 69 total customers. Rates in Water District IV are calculated at \$24 (increased from \$21.00) minimum fee, and \$4.00 per thousand for all usage over 2,000 gallons.

Water District V- Rates in Water District V are calculated at \$21 minimum fee (no increase), and \$4.00 per thousand for usage over 2000 gallons.

Additional Sources of Revenue

Ad-valorem Property Tax Collections – Tax collections are calculated based on a collection rate of 96%, based on the current rate of 73 cents per 100.

Transfers from Other Departments to the General Fund – Total transfers to the General Fund from other departments are as follows:

1. \$1,430,520 (total departments)
2. 2,836,791 (fund balance appropriated)

The transfer amount of \$1,430,520 is the equivalent of approximately 4 ½ cents of property tax that is not required in this fiscal year's budget.

Education

Total allocations for City and County Schools are funded at the same levels of 2005-2006. Southeastern Community College's proposed allocation has also remained the same as last year's funding level.

Other Items of Interest

Jail Project and Educational Needs -- The jail and school construction projects principle and interest repayments are budgeted for \$956,288. Approximately \$1.3 million is needed to fund the remaining balance for construction of the detention project in fiscal year 2006-2007, which is not included in this proposed budget.

Special Appropriations – Only existing special appropriations have been included in this proposal, with new appropriations being a policy matter for review by the Board of Commissioners.

Conclusion

Our staff has worked hard to give you a proposed balanced budget for fiscal year 2006-2007. As you are aware, many accounting opportunities have been addressed during this budget preparation with the help of former finance officer Gayle Godwin. My sincere appreciation and gratitude is extended to Ms. Godwin, Executive Assistant Gail Edwards, and administration staff for their help in preparing this budget.

Please amend and make changes as you feel appropriate as you work on the Budget and conduct the Public Hearing.

Respectfully submitted,
/s/ Jimmy M. Varner, Interim County Manager

ACCEPTANCE of PROPOSED 2006 - 2007 COLUMBUS COUNTY OPERATING BUDGET:

Commissioner Memory made a motion to accept the Proposed 2006 - 2007 Columbus County Operating Budget and to establish a Budget Workshop for June 8, 2006, at 6:00 P.M., to be held in the Courthouse Annex, Commissioners Chambers, 112 West Smith Street, Whiteville, North Carolina 28472, and a continuation of this Budget Workshop, if needed for June 12, 2006, at 6:00 P.M. This motion was seconded by Commissioner Norris and unanimously carried.

ADJOURNMENT:

At 6:19 P.M., Commissioner McKenzie made a motion to adjourn the Special Called Meeting, seconded by Commissioner Norris. The motion unanimously carried.

APPROVED:

JUNE B. HALL, Clerk to Board

KIPLING GODWIN, Chairman