

**COLUMBUS COUNTY BOARD OF COMMISSIONERS
BUDGETARY WORKSHOP**

**Monday, May 15, 2002
7:00 P.M.**

The Honorable Columbus County Commissioners met on the above stated date and at the above stated time in the Columbus County Administration Building, Economic Development Conference Room, 111 Washington Street, Whiteville, North Carolina, for the purpose of conducting a **Budgetary Workshop** for the 2002-2003 Budget Year.

COMMISSIONERS PRESENT:

Amon E. McKenzie, **Chairman**
C.E. "Gene" Wilson, **Vice Chairman**
Spruell R. Britt
David L. Dutton, Jr.
Sammie Jacobs
Bill Memory
Lynwood Norris

APPOINTEES PRESENT:

Billy Joe Farmer, **County Administrator**
James E. Hill, Jr., **County Attorney**
Darren L. Currie, **Assistant County Administrator**
June B. Hall, **Clerk to Board**

MEETING CALLED TO ORDER

Chairman Amon E. McKenzie called the meeting to order at 7:05 P.M. The invocation was delivered by Commissioner Bill Memory.

HOSPITALIZATION INSURANCE

James E. Hill, Jr., County Attorney, informed the Board a change in the hospital insurance policy had been proposed for a one (1) time budgetary move for the 2002-2003 Budget Year. Billy Joe Farmer, County Administrator, explained the change would only be a one (1) time change and would be null and void after this budget year. The proposed change would only be implemented if it would benefit Columbus County. The proposed change is as follows:

- This is a one (1) time budgetary move **only**;
- This change will be implemented **only** if it benefits Columbus County financially;
- If the employee complies with all the normal retirement protocols as established by the North Carolina State Retirement System;
- The employee does not meet all the required criteria as established by Columbus County for receiving paid medical insurance coverage after retirement;
- The employee would be provided up to eighteen (18) months of health insurance coverage or up to Medicare eligibility, whichever the situation may be, but **only** a maximum of eighteen (18) months; **and**
- After the eighteen (18) months of paid health insurance coverage expires, Columbus County has a provision for allowing an employee who retired on disability to stay on the health insurance **at their expense**.

Billy Joe Farmer, County Administrator requested consensus from the Board to approve this concept and allow him to proceed in gathering the factual information to this end.

RECESS REGULAR SESSION and ENTER into CLOSED SESSION

At 7:17 P.M., Commissioner Norris made a motion to recess Regular Session and enter into Closed Session.

CLOSED SESSION

At 7:17 P.M., Closed Session was entered into in accordance with N.C.G.S. 143-318.11. No official action was taken.

ADJOURN CLOSED SESSION and RESUME REGULAR SESSION

At 7:35 P.M., Commissioner Dutton made a motion to adjourn Closed Session and enter into

Regular Session.

INTRODUCTION to the COLUMBUS COUNTY PROPOSED 2002-2003 OPERATING BUDGET

Billy Joe Farmer, Columbus County Administrator, presented the following 2002-2003 fiscal year budget highlights to the Board before the Budget Workshop started.

County 2002-2003 Fiscal Year Budget Highlights

The following are brief highlights of the Columbus County fiscal year 2002-2003 Budget proposal. Every year for 15 years I have stated in the manager's message to my Board the words "I hope this proposal meets with your approval". I regret that I cannot make that statement this year as this year's budget proposal does not meet with my approval. In its place I will state that this year was the toughest financially I have experienced in almost 16 years of management, and I have been forced to make many hard decisions in providing to you a balanced budget. Very few options exist and most choices have been made on the basis of which alternative is least disagreeable.

Having said that, let me state that a tremendous amount of thought and effort has gone into the making of this budget proposal by all involved, and that such proposal is a tremendous accomplishment in view of how much separation initially existed between this budget's revenues and expenditures.

- **Solid Waste** – Solid Waste fees were increased to meet the inflation adjustment built into the contracts, as well as to pay back the General Fund for its previous subsidization of this enterprise fund. One million dollars were transferred to the General Fund (The General Fund subsidized the Solid Waste Fund 1.4 million in the previous fiscal year alone.). The new proposed fee schedule is:
 - * Regular Tipping Fees 45/ton
 - * LCID Tipping Fees 35/ton
 - * Operations Fees:
 - a) County Resident 177/year
 - b) Municipal Resident 87/year

- **Medicaid** – Current fiscal year expenditures for Medicaid are projected at approximately 4.8 million. State estimates for fiscal year 2002 – 2003 are for a Columbus County expenditure of 6.3 million. This amount was reduced to 5.5 million, an amount staff believes to be a more reasonable estimate.

- **Jail Project** – The current jail project, if completed, will require a yearly principle and interest payment of approximately 540,000, along with a yearly operations and maintenance cost of approximately 250,000, for a total yearly cost of almost 800,000. Based on each penny of property tax collected raising 225,000, this project will require a 3.5 cents tax increase for the life of the project---38 years. Given the elderly population of Columbus County, the majority of the population will be paying this tax increase until their deaths. Since no quantitative analysis of past trends to ascertain the appropriateness of this construction for future needs has occurred; and since the economic climate and financial health of Columbus County is currently at a very low ebb, the jail project was eliminated from the budget.

- **Carryover of Funds** – A payment of 463,917 was appropriated in the current fiscal year's budget for the jail project, of which 275,000 is remaining and is carried over to the 2002-2003 fiscal year's budget through an appropriation from Fund Balance.

- **Reimbursement from Water District I** – As per direction of the Board of Commissioners during the 2001-2002 budget adoption, 50,000 is transferred from Water District I to the General Fund to reimburse for previous years subsidizations. No fee increase is proposed for Water District I.

- **Education** – All education appropriations (County and City Schools and the College) were budgeted the same as the existing amended 2001-2002 appropriations.

- **Mental Health** – The Mental Health appropriation was also budgeted the same as the existing amended 2001-2002 appropriation.

- **Chaf Program** – A reimbursement for 150,000 was budgeted for the existing Caf program for administrative support work performed by staff.
- **Tax Increase** – A tax increase of 4 cents per 100 dollars is proposed to complete the balancing of the budget. This will result in a revenue of 900,000.
- **Sheriff's Automobile Request** – The Sheriff's automobile request was budgeted for 5 new patrol cars, with the remaining 5 that were requested to be budgeted if the State reimbursements are released to Columbus County.
- **Social Services** – The Department of Social Services voluntarily reduced their requested appropriation by 150,000.
- **Fire & Rescue** – In accordance with Columbus County's contracts with the Fire and Rescue units operating within the County, funding was increased to its original level of 9,563 for fire departments and 15,142 for fire and rescue versus the current 7,650 and 12,114.
- **Medical Director** – In response to the State OEMS requirement for all counties to create and establish an EMS system plan and appoint a Medical Director, the Columbus County Medical Director's Contracted position was funded in the amount of 12,000.
- **State Reimbursements** – State reimbursements were budgeted as revenue, and as an expenditure in a capital line item. This approximately 1.2 million was not included as part of the 2002-2003 operations budget for fear of not receiving such, but was budgeted to so as not to acquiesce to the State. Should such funds be released, capital projects such as the Sheriff's patrol cars and pay raises for staff would be provided. Should this revenue be budgeted in the operations budget to offset the 4 cents proposed tax increase, but not be received, the General Fund's fund balance would be decreased to approximately 7%.
- **Fund Balance Appropriated** – No appropriation of General Fund's fund balance has been proposed, other than the appropriation to carry over the 275,000 remaining in the current year's budget. Non-appropriated fund balance currently exists at approximately 10% of the total General Fund budget. Appropriating from fund balance sufficient to offset a 4 cents tax increase would lower this balance to approximately 7.75%.
- **Assistance from County Departments** – Work with County departments began prior to the actual budget preparation process, including building trust and unity among the departments to work for a common goal. Budgets were therefore submitted to Administration very lean in their original form, and department heads were very willing to work with staff to further pare down and streamline operations when necessary and feasible.

Staff has worked hard to give you a balanced budget proposal for fiscal year 2002-2003, however, the budget is by statute the Columbus County Board of Commissioners' budget. Please amend and make changes as appropriate to best accomplish the objectives and policies of the Board of Commissioners and Columbus County.

Billy Joe Farmer
County Administrator

PRESENTATION of the COLUMBUS COUNTY 2002-2003 PROPOSED OPERATING BUDGET

Billy Joe Farmer, Columbus County Administrator, presented to the Board the 2002-2003 Proposed Operating Budget. Chairman McKenzie thanked Billy Joe Farmer, Columbus County Administrator, Darren L. Carrie, Assistant County Administrator, Gayle B. Godwin, Columbus County Finance Officer, and all the staff who had diligently worked toward compiling the Columbus County 2002-2003 Proposed Operating Budget. In addition, Chairman McKenzie stated all the recommendations that have been made were suitable with the Board with the exception of the four (\$.04) cents property tax increase. Chairman McKenzie requested that staff go back to the drawing board and eliminate the four (\$.04) cents tax increase by using other measures to balance the budget with.

RECOMMENDATIONS for SAVING MONEY

Commissioner Bill Memory made the following recommendations for Columbus County to do as a means of saving money:

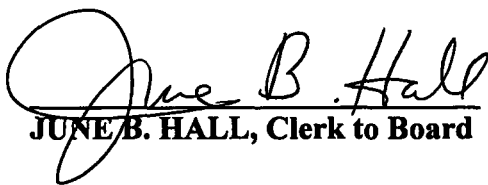
1. Allow the deductible amount on the medical insurance to be higher to get the insurance premiums lowered;
2. Bill the solid waste fee on a monthly basis in lieu of a yearly basis; **and**
3. Sell home health.

SUMMATION of BUDGET WORKSHOP

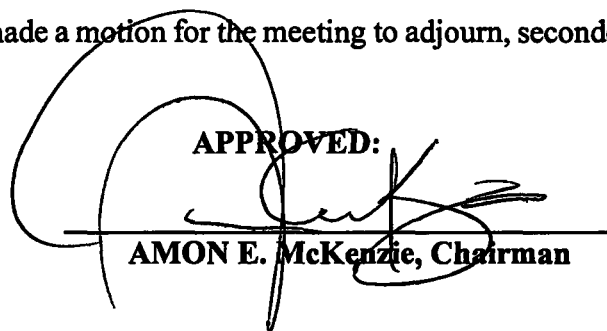
Chairman Amon E. McKenzie stated it was the general consensus of the Board to allow Billy Joe Farmer, Columbus County Administrator, to approve the concept of gathering the necessary information for the early retirement package/medical insurance to the employees who so qualified. Chairman McKenzie stated if the budget could not be balanced without a tax increase, we may have to adopt an Interim Operating Budget until we hear from the State as to what they plan to do about the reimbursements.

ADJOURNMENT

At 8:30 P.M., Commissioner Norris made a motion for the meeting to adjourn, seconded by commissioner Britt. The motion so carried.



JUNE B. HALL, Clerk to Board

APPROVED:


AMON E. McKenzie, Chairman