

**COLUMBUS COUNTY BOARD OF COMMISSIONERS
BUDGET WORKSHOP**

June 12, 2006

6:00 P.M.

The Honorable Columbus County Commissioners met on the above stated date and at the above stated time in the Dempsey B. Herring Courthouse Annex Building located at 112 West Smith Street, Whiteville, North Carolina, for the purpose of holding a Workshop for the Proposed 2006 - 2007 Columbus County Operating Budget.

COMMISSIONERS PRESENT:

Kipling Godwin, **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**

COMMISSIONER ABSENT:

David L. Dutton, Jr., **Vice Chairman**

APPOINTEE ABSENT:

Roxanne Coleman, **Finance Officer**

MEETING CALLED to ORDER:

At 6:00 P.M., Chairman Godwin called the Budget Workshop to order, and stated the Proposed 2006 - 2007 Columbus County Operating Budget would be placed on the June 19, 2006 Agenda for adoption.

BUDGET ITEMS for DISCUSSION:

Chairman Godwin made reference to the two (2) page handout that was distributed for discussion as follows:

Page One (1)

BUDGET WORKSHOP

Fiscal year 06/07

June 12, 2006

Items included in Budget:

1. Debt service payment Detention Center (\$695,007) and Williams Township School (\$270,281) - \$965,288
2. \$1.2 million increase in Medicaid over 05/06 fiscal year - \$5.4 million vs. \$4.2 million
3. Sewer funds for Tabor City Prison Project - \$193,871
4. Waccamaw River Project - local match - \$56,264
5. 5 detention center positions to staff new addition - \$113,610
6. 8 new positions for Social Services - \$174,361 (approximately 50% would be reimbursed from state)
7. 1 new position for Parks and Recreation - \$19,000
8. 1 Beaver Management Position/Soil and Water Conservation - \$30,000

Items not included in Budget:

1. Detention Center - approximately \$1.3 million (to finish paying for construction)
-Borrowed \$7.2 Million -Bid Amount: \$8,551.863
2. Requested increase (Capital Outlay) for:
 - A. Columbus County Schools: requested \$8,855,500, allocated \$390,000
 - B. Whiteville City Schools: requested \$806,062.32, allocated \$95,000
 - C. Southeastern Community College - requested \$469,285 - allocated \$100,000 (Funded at same amount as last year's capital outlay allocations)
3. 3 Bailiffs - \$139,480 versus overtime \$106,764 for Sheriff's Office

Request for special appropriations:

1. All funded at same level as last year.
2. **New requests not funded in budget:**
 - A. Deuce Niven - Tabor City Water Rescue - \$10,543
 - B. Chadbourn Parks and Recreation - \$20,000 (approximate)
 - C. Tabor City Parks and Recreation - \$50,0000 (approximate)
 - D. Request from Vietnam Veterans of America for assistance in bringing the Moving Wall to Columbus County - \$10,000
 - E. Cape Fear River request - \$3,000
3. Families first - requested \$10,000 - funded at 05/06 appropriation of \$8,000 (\$2,000)
4. Forestry Service - requested \$146,644 - funded at 05/06 appropriation of \$143,227 (\$3,417)

Proposed items for FY 06/07:

1. Solid Waste fee increases:
 - A. \$177.00 to \$180.00 for county residents = \$55,950 in additional revenue
 - B. \$90.48 to \$93.48 for municipalities = \$18,150 in additional revenue
(Proposed fuel surcharge from Waste Management - \$439,614)
2. Water District II and III projections:
 - A 2-cent proposed tax increase in Water District II (9 to 11 cents) will generate approximately \$54,000 and Water District III (13 to 15-cents) will generate \$32,000 to break even in both districts.
3. Increase in Inspections fees (will generate approximately \$20,000 in revenues)
4. Tap fees: 3/4" - \$500 1" - \$750 2" - \$1,000
5. Development Fees - \$2250 per new residential unit

Proposed Cuts from Commissioner Prevatte:

(No information provided at this meeting)

Page Two (2)

Water District II Projections

Special Tax	305,000	Water Sales	300,860
Debt Service	<u>425,940</u>	O & M	<u>222,420</u>
	-120,940		78,440
Special Tax/Debt	-120,940	2 cents tax increase	59,000
Water Sales/O&M	<u>78,440</u>		
	-42,500		

Water District III Projections

Special Tax	230,000	Water Sales	253,817
Debt Service	<u>318,748</u>	O & M	<u>187,869</u>
	-88,748		65,948
Special Tax/Debt	-88,748	2 cents tax increase	32,000
Water Sales/O&M	<u>65,948</u>		
	-22,800		

NOTE: Special tax revenues do not generate enough monies to pay debt service. Water Districts II and III still owe fund balance for debt service payments in 02/03.

ITEMS of DISCUSSION:

Chairman Godwin stated that each item on this list, that has been distributed, would be addressed one (1) at a time.

Items Included in Budget:**Item 1. Use of lottery funds for Williams Township School \$270,281:**

Chairman Godwin stated the following regarding the use of lottery funds:

1. As of January 01, 2003, in accordance with the State Lottery Law, we are permitted to allocate a certain portion of the lottery funds toward debt service for educational purposes;
2. I suggest that we budget two hundred seventy thousand, two hundred eighty-one and 00/100 (\$270,281.00) dollars from the lottery funds to use for the debt service for Williams Township School; **and**
3. Columbus County is designated to receive \$1 Million to \$2 million from the lottery.

Jimmy Varner, Interim County Manager, suggested not to budget these lottery funds due to uncertainty of their receipt.

After discussion was conducted regarding this matter, the Board reached a general consensus unanimously, to use the lottery funds toward the debt service for education.

Item 2. \$1.2 Million increase in Medicaid:

Given, no control, with expectations of Medicaid Relief Bill passing in Congress.

Item 3: Sewer funds for Tabor City Prison Project - \$193,871:

Okay.

Item 4: Waccamaw River Project:

Okay.

Item 5: 5 Detention Center Positions to staff new addition:

Okay.

Item 6: 8 New positions for Social Services:

After discussion was conducted, a straw poll vote was taken, for a general consensus, with the following results:

AYES: Chairman Godwin, Commissioners Jacobs, Norris and McKenzie

NAYS: Commissioner Prevatte

NON-VOTING: Commissioner Memory

ABSENT: Vice Chairman Dutton.

The general consensus passed on a four (1) to one (1) vote, with one (1) non-voting member.

Item 7: 1 New position for Parks and Recreation:

After discussion was conducted, a straw-poll vote was taken for a general consensus, with four (4) votes in favor, and two (2) votes not in favor.

Item 8: 1 Beaver Management Position/Soil and Water Conservation:

Okay.

Items Not Included in Budget:**Item 1: Detention Center:**

Chairman Godwin Stated the Board had three (3) options that could be considered for this item as follows:

1. Borrow the amount needed from Fund Balance;

416

2. Borrow the money from the bank; **or**
3. Increase the ad valorem tax by five (\$.05) cents.

After lengthy discussion was conducted, the decision was reached to place this item on hold.

Item 2: Capital Outlay for Education:

Leave as stated allocation.

Item 3: Three (3) Bailiffs:

Hold.

Request for Special Appropriations:

Forestry Service okay, all other new requests placed on hold.

Proposed Items for FY 06/07:

Item 1: Solid Waste Fee Increases:

After in-dept discussion was conducted, a straw poll vote was taken with a majority in favor of no increase.

Item #2: Water District II and III Projections:

After in-depth discussion was conducted, it was the general consensus of the Board that in lieu of raising the taxes, the monthly base rate for water would be increased from twenty-two and 00/100 (\$22.00) dollars, per month, to twenty-five and 00/100 (\$25.00) dollars, per month.

Item 3: Increase in Inspection Fees:

Hold.

Item 4: Tap Fees:

A straw poll vote was taken with five (5) in favor and one (1) not in favor.

Item 5: Development Fees:

Hold.

Proposed Cuts from Commissioner Prevatte:

(No information was furnished for this item.)

RECESS MEETING:

At 8:45 P.M., Chairman Godwin stated that this Budget Workshop was recessed until Thursday, June 15, 2006, at 6:00 P.M.

APPROVED:

JUNE B. HALL, Clerk to Board

KIPLING GODWIN, Chairman