

COLUMBUS COUNTY BOARD OF COMMISSIONERS
BUDGET WORKSHOP

Thursday, May 24, 2007

7:00 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 Budget Workshop.

COMMISSIONERS PRESENT:

Sammie Jacobs, **Chairman**
James E. Prevatte, **Vice Chairman**
Amon E. McKenzie (Arrived: 7:09 P.M.)
Bill Memory
Ricky Bullard
Ronald Gore

COMMISSIONER ABSENT:

Lynwood Norris

APPOINTEES PRESENT:

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

OTHERS in ATTENDANCE:

Gail Edwards, Executive Assistant to Manager
Paulette Varnam, Paralegal to County Attorney
Bobbie Faircloth, Assistant Finance Officer
Leroy Sellers, Public Utilities Director
Amanda Davis, Administrative Assistant

BUDGET WORKSHOP CALLED to ORDER:

At 7:00 P.M., Chairman Jacobs called the May 24, 2007 Budget Workshop to order, and stated the following:

1. This is a Budget Workshop conducted by the Board of Commissioners and the staff and management of various departments of Columbus County;
2. This is not a Public Forum and is not intended for public input. There will be a Public Hearing held at another date when the public will have comments and input into various items of interest;
3. There will not be any formal or binding vote on any item and anything that is agreed upon by majority of the Commissioners will be subject to further handling at a later date in a formal manner;
4. We should also understand that many hours of hard work has been put into this Budget to this point, many hours by many people from all departments in the County Government;
5. We, as Commissioners, must also understand that these hardworking career people have been working with their departments and we must understand that they should know what it takes to make their departments work and function best to deliver services to the citizens of Columbus County;
6. We, as Commissioners, should want to help in any way that we can in order to make their jobs easier and arrive at a Budget solution that a majority of us can live with;
7. In this framework, we will now ask that our County Manager, and his financial staff, deliver us the facts as they have them along with all of the Budget possibilities that are available to us as Commissioners; **and**
8. We want to hear both the good and bad news as it relates to this Budget.

COUNTY MANAGER'S OVERVIEW of 2007-2008 PROPOSED OPERATING BUDGET:

Jim Varner, County Manager, presented the following information on the 2007-2008 Proposed Operating Budget.

Overview of items included in Budget:

- \$266,000 (soft cost) additional debt service payment-Detention Center(\$2.5 million)
- New positions -
 - \$109,916 4 Detention positions to staff new jail addition
 - \$27,557 1 Drug Detective
 - \$24,862 1 ORC operator for the POTW
- Renovations of county-owned buildings -

○	\$25,000	Courthouse carpet/window casings
○	\$80,000	Administration Elevator
○	\$23,600	Replace roof and new central unit at Miller Building
○	\$75,000	Old Tax Office renovations
○	\$65,000	Pave Veterans, Families First and Sheriff's Office Parking lots
○	\$13,500	Replace Roof at HUD Building
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	\$282,100	TOTAL

- \$5.4 Million Medicaid appropriation - same as 06/07 fiscal year capped funding. Additional MEDICAID relief, if any at all, will not be known until possibly mid June.
- \$295,000 in Contingency Fund
- \$100,000 in Election increases (2008 Election Year)
- \$40,069 for POTW (Publicly Owned Treatment Works) Budget. This is new this fiscal year.
- \$460,000 in fuel

Items Not Included:

- Funds for possible re-districting - costs unknown at this time
- Funds for additional courthouse repairs/structural engineer fees unknown
- Paving of service road to jail - estimated cost - \$11,000
- No increase in trash can use fees to offset Waste Management's CPI increase of 2.4% for residential pickup and an increase in their fuel surcharge from a monthly average of 8% to an estimated 8.5% increase. These two (2) items equate to a \$6.00 increase in fees for county and municipal residents fees from \$193.00 to \$199.00 for county residents and \$106.00 to \$112.00 for municipal residents. Again, staff did not increase the trash can user fee to reflect these costs.
- Requested increases in capital outlay from school systems and college -
 - Columbus County Schools - requested \$9,006,000 - allocated \$390,000
 - Whiteville City Schools - requested \$102,978 - allocated \$95,000
 - Southeastern Community College - requested \$383,000 - allocated \$100,000

New/Increased Requests for Special Appropriations:

- \$15,000 County Rope Rescue Team (new)
- \$159,766 Forestry Service (current year funding \$146,644 - difference of \$13,122)
- \$17,444 Cape Fear Council of Governments (current funding \$15,048 - difference \$2,396)

All other special appropriations are funded at current year appropriations.

Mr. Varner requested Leo Hunt, Interim Finance Director, to present his findings on the 2007 - 2008 Proposed Operating Budget. Mr. Hunt stated the following:

1. In 2003, the Fund Balance was at twenty-six (26%) percent;
2. Since 2003, the Fund Balance has been steadily decreasing;
3. By the end of 2006, the Fund Balance had dropped to approximately 13 %;
4. \$2.9 million were appropriated to balance the current budget;
5. We have maxed out our revenues;
6. If we spend the \$2.9 million in this current year, the Fund Balance will drop to \$8.5%, which is dangerously low;
7. We cannot use Fund Balance anymore;
8. The Department of Social Services staff has agreed to reduce the State recommended Adult Services; **and**
9. Unless Columbus County realizes some relief from the State on Medicaid, we must have a tax increase in order to continue to operate.

Vice Chairman Prevatte asked Mr. Hunt if he knew any areas in the Budget that could be cut. Mr. Hunt replied stating the following:

1. COLA (Cost-of-Living Adjustment);
2. Contingency Fund - \$295,000 (I do not recommend deleting this);
3. Administration Elevator (\$80,000); **and**
4. Special Services for Adults - \$624,000.

ITEMS of CONCERN:

Christmas Bonuses: Commissioner Bullard asked Mr. Hunt how much the Christmas bonuses cost Columbus County. Mr. Hunt replied stating the cost was thirty-five thousand and 00/100 (\$35,000.00) dollars.

Longevity Pay: Commissioner Gore asked Mr. Hunt how much did longevity pay cost Columbus County. Mr. Hunt replied stating one hundred fifty-nine thousand and 00/100 (\$159,000.00) dollars per year. Mr. Gore stated the school system did not start longevity pay before ten (10) years of employment had been completed, and he thought Columbus County should consider changing the start of longevity pay to ten (10) years.

Columbus County Rope Team: Commissioner Gore asked what this was for under Special Appropriations in the amount of \$15,000. Kay Worley, Interim Emergency Services Director, stated it was for OSHA-required training for employees of private businesses for confined spaces that was originally started by International Paper. Commissioner Gore stated this expense should be the expense of the private business and not at the taxpayers' expense.

Commissioner Gore questioned if the Special Appropriations were mandated or electives.

DISCUSSION of DEPARTMENTAL BUDGETS:**Sheriff's Department:**

-Vice Chairman Prevatte questioned the need for four (4) additional deputies and a new drug officer when the new jail was designed to take less employees.

-Commissioner Gore stated that Sheriff Deputies patrol NC 74/76 and also the NC Highway Patrol, and the Sheriff needed to make some changes.

-Jim Varner, County Manager, recommended contracting out patient care for inmates which would cut medical bills.

-Vice Chairman Prevatte questioned a maintenance and repair line item listed at \$14,109 in 2006 which jumped to \$40,000 in 2007, and is presently budgeted at \$67,000 for fiscal year 2008. It could not be determined what these figures actually represented and Sheriff Batten was not in attendance to address this issue. Commissioner Bullard stated he needed to know what's correct before I voice my opinion.

Tax Office:

-Vice Chairman Prevatte questioned why the Tax Office was paying a consultant \$15,000 to \$20,000 a year, when the County has a Management Information Systems (MIS) department with four (4) employees. Richard Gore, Columbus County Tax Administrator, stated the program was six (6) years old, and MIS is not familiar with it, and to buy a new program would cost \$100,000 to \$200,000.

-Commissioner Memory stated if we can train the MIS staff, then we should use our own people.

Board of Elections:

-Commissioner Bullard asked why the fees had increased greatly with a 2007 Departmental budget of \$327,4889, compared to 2008 proposal of \$421,845, and contracted services were budgeted at \$26,120 for 2007 compared to 2008 proposal of \$107,055.

Carla Strickland, Board of Elections Director, replied stating the following:

-the budget must be ready to handle the primary and general elections in 2008, as well as any potential run-off elections

-Poll workers are paid a flat rate based on minimum wage of the State, which increased last year

-the budget covers one-stop voting and service contracts for equipment

-staff and poll workers must be trained prior to each election, travel is allowable, and audit costs are included

-precinct supplies are mandated by the State

-in 2008, the department will equip each precinct with laptop computers for reporting purposes.

Governing Body:

-Vice Chairman Prevatte questioned why several line items in this Budget had increased. Gail Edwards, Executive Assistant to Manager, replied stating that the Clerk to the Board position had been removed from the Administration Budget and placed in the Governing Body Budget.

Personnel:

-Vice Chairman Prevatte questioned the line item Pre-Employment Screening. Mr. Varner stated this was for background checks and drug testing for new employees and for random drug testing of current employees.

Purchasing & Safety:

-Vice Chairman Prevatte questioned the line item entitled "Contracted Services" at the amount of \$95,000 showing an increase of \$10,000 over last year's budget. Mr. Varner stated this included the county-wide copiers and a new postage machine.

Finance:

-Vice Chairman Prevatte questioned the following line items:

1. Retirement Contribution Retirees (4.9% decrease from 2007)
-Leo Hunt stated there may be an error in this line item.
2. Salaries & Wages Regular (increase in requested and recommended)
-Leo Hunt stated he had given a merit raise to one of his employees.
3. Maint & Repair - Equipment (increase from \$3,475 for 2006, \$20,000 for 2007, and \$20,500 for 2008)
-Leo Hunt stated he had purchased replacement software and additional software.

ADJOURNMENT:

At 8:55 P.M., Chairman Jacobs stated this Budget Workshop was adjourned, and the next Budget Workshop is scheduled for Thursday, May 31, 2007, at 7:00 P.M.

APPROVED:

JUNE B. HALL, Clerk to Board

SAMMIE JACOBS, Chairman