

BUDGET MESSAGE

Draft

To: Edgecombe County Chairman and Board of Commissioners

From: Lorenzo Carmon, County Manager

Date: May 22, 2014

Subject: Budget recommendation for fiscal year 2014-2015

Submitted herein is the Edgecombe County recommended Budget for Fiscal Year (FY) 2014-2015. The Budget is balanced in its entirety, as required by the North Carolina Local Government Budget and Fiscal Control Act.

The County's proposed General Fund budget for FY 14-15 totals \$57,847,154 which is a .3% decrease from last year's original operating budget of \$58,032,913. The proposed ad valorem tax rate for the FY 14-15 is 92 cents per \$100 value which is a 6 cent tax increase. One cent generates approximately \$285,572. The proposed budget includes a fund balance appropriation of \$3,752,437 of that amount \$377,000 is from restricted fund balance for school debt service leaving a \$3,375,437 appropriation from general fund.

General Fund Operational Highlights

- Departmental budgets have remained the same with only mandated increases.
- All outside agencies are recommended to remain the same as in the prior year with the exception of the elimination of the Summer Recreation budget.
- Employee Health Insurance increased 5.5%.
- Health Department Revenues have declined due to a decrease in client census being down from previous years and the Hospice program has been eliminated.
- There is no funding included for Mental Health appropriations.

Personnel

This budget recommends no salary increase for county employees. Employees have not received a COLA since January of 2009. We will continue to explore all possibilities of consolidation, reallocation and /or elimination of positions throughout the year in every department. Only critical positions will be filled when they become vacant. Departmental programs will be evaluated to determine the effectiveness and whether the program is mandated or optional. As in the past we will continue to explore all possibilities of consolidation and/or elimination of positions throughout the year.

Health Insurance

The overall cost of employee health insurance increased by approximately 5.5%. We are proposing to deposit \$150 in a health care reimbursement account for all employees. We will continue to participate in the Health risk assessment program for all individuals covered by our health insurance in an effort to reduce our health care costs. Individuals who choose not to participate in the assessment will pay \$30 per month towards the cost of their insurance.

Capital Outlay

This budget includes minimal capital outlay expenditures for minor facility renovations. Funding for Sheriff cars will be revisited in January.

Solid Waste

The proposed tipping fee for Solid Waste is \$48.50 for Municipal Solid Waste & \$41.00 for C&D which is the same as in the prior year.

Water & Sewer

Water and sewer rates remain the same. The average bill for customers using 4,000 gallons per month is \$46.00 and the average sewer bill for the same will remain the same at \$45.00. We have approximately 4,200 water customers and 46 sewer customers.

Conclusion

Last year we utilized some fund balance approximately 1.1 million with the expectation of utilizing fund balance in the current year as well. The

County is operating at approximately 5 cent tax equivalent above revenues. This has brought fund balance to 13 % which is below the 15% which is the average for counties comparable to Edgecombe. In addition to the budget falling short of addressing the many critical requests from both internal and external providers, it appropriates our fund balance down to approximately 5% and raises concern for the cash flow during the fiscal year. We must continue to remain vigilant in our effort to reduce our overall operating expenses by eliminating and consolidating positions whenever possible while having minimal impact on customer service.