

## BUDGET MESSAGE

To: Edgecombe County Chairman and Board of Commissioners  
From: Lorenzo Carmon, County Manager  
Date: May 17, 2011  
Subject: Budget recommendation for fiscal year 2011-2012

Submitted herein is the Edgecombe County recommended Budget for Fiscal Year (FY) 2011-2012. 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 11-12 totals \$59,198,052 which is a 1% increase from last year's original operating budget of \$58,396,773. The proposed ad valorem tax rate for the FY 11-12 is 86 cents per \$100 value. One cent will generate approximately \$285,541. The proposed budget includes a fund balance appropriation of \$5,124,579 of that amount \$550,375 is from restricted fund balance for school debt service leaving a \$4,574,204 appropriation from general fund.

Revenues are expected to remain flat along with a decrease in taxable values caused by depreciation, increased exemptions to county tax payers and a reduction in motor vehicle registrations which are down by 1,261 vehicles from last year.

This Budget was prepared in spite of all of the uncertainty surrounding the State Budget Proposals. Both the Governor and the General Assembly's Budget Proposals have revenue and expenditure recommendations that could have negative impacts on the County's Budget. Examples range from decreasing expected revenues such as lottery proceeds, shifting costs such as purchasing school buses, funding school employee workman's compensation and cutting funding to Health and Social Services, all of which must be taken into consideration.

## General Fund Operational Highlights

- Departmental budgets have remained the same with only mandated increases.
- State Retirement increase of .65 % for all employees.
- All outside agencies remain the same as the current year.
- Employee Health Insurance increased by 5%.
- General Fund Debt Service increase of \$384,492.

### Personnel

There was no salary increase included in this proposed budget. In addition there are vacant positions that will remain vacant and frozen unless required. Beginning immediately, all positions that become vacant with the exception of public safety and/or revenue producing positions will remain vacant and will be re-visited in January. We will 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%. We are proposing to deposit \$150 in a health care reimbursement account this year for all employees. The \$ 50 increase will be used to help offset the \$10 increase in copay and \$400 increase in the deductible. We will implement the Health Risk Assessment program for all individuals covered by our health insurance in an effort to reduce our health insurance cost. Employee's who choose not to participate in the assessment will pay \$30 per month towards the cost of their health insurance.

### Capital Outlay

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

### Solid Waste

The proposed tipping fee of \$46.50 remains the same per ton.

The landfill gas project continues to offer the possibility of generating additional revenue for the County by selling carbon credits &/or electric generation & sale. This project has been slowed by the national recession, however permitting and grant applications are underway for this project.

### Water & Sewer

There is no water and sewer rate adjustment proposed in this budget. The average bill for customers using 4,000 gallons per month will be \$42.80 and the average sewer bill for the same will be \$43.00.

### Conclusion

In addition to this budget falling short of addressing the many significant and critical requests from both internal and external providers, it appropriates our fund balance down to 11%. 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. In addition we must remain mindful of how the downturn in the global economy affects the citizens here in Edgecombe County and the State of North Carolina.