

**Warren County
Board of Commissioners**



**Budget Goals Setting Work
Session
Warren County Memorial Library
January 26, 2011**

10:00 a.m. – 3:00 p.m.

**Warren County Board of Commissioners
Budget Goals Setting Work Session
Warren County Memorial Library – Meeting Room
January 26, 2011
10:00 a.m. – 3:00 p.m.**

- 10:00 a.m. Convene Work Session**
- 10:05 a.m. Presentation of FY 10 Warren County Audit Report
Jim Winston, Auditor**
- 10:30 a.m. Current Fiscal Condition and Economic Outlook for FY 12 –
Linda Worth, County Manager & Barry Mayo, Finance Director**
- 11:30 a.m. Update on Current Tax Collections &
Delinquent Tax Collections Programs
Eddie Mitchum, Tax Administrator**
- 11:45 a.m. Report on Feasibility of EMS Satellite Station at Lake Gaston
Douglas Young, Emergency Services Director**
- 12:00 p.m. Break for Lunch**
- 12:30 p.m. Update on Warren County Capital Projects
Charles Ayscue, Buildings & Grounds Manager**
- 12:45 p.m. Update on Energy Efficiency Conservation Block Grant Program
Debbie Formyduval, Elections Director
Charles Ayscue, Buildings & Grounds Manager**
- 1:00 p.m. Update on Warren County Schools Capital Projects –
Dr. Ray Spain, Superintendent of Schools**
- 1:30 p.m. Department Head Presentations**
- 2:30 p.m. Work Session Wrap-Up and Closing Statements by Board of
Commissioners**
- 3:00 p.m. Adjourn Work Session**

Presentation of FY 10 Warren County Audit Report

Jim Winston, Auditor

Current Fiscal Condition and Economic Outlook for FY 12

**Linda T. Worth, County Manager
&
Barry Mayo, Finance Director**

**County of Warren
Finance Office
P.O. Box 185
Warrenton, NC 27589
Telephone: (252) 257-1778 Fax: (252) 257-6523**

Memo

To: County Commissioners
County Manager
Clerk to the Board

From: Barry J. Mayo, Finance Director

Date: January 26, 2011

Re: Warren County Economic Outlook FY2010-11

This memorandum will address the economic condition of Warren County and review the major factors affecting the budget as we move into the 3rd quarter of fiscal year 2011.

In development of the FY 11 budget a combination of efforts were used to contain cost. The following are examples of some of those measures:

- Departmental budgets were cut
- A Low Option Health Insurance Plan was adopted
- Computers were purchased in bulk to obtain a lower cost

The above stated proactive measures were used to balance the budget which included the use of \$2,172,319 of fund balance.

At the present time Warren County finds itself beginning the 3rd quarter of FY 11 in fair standing.

- Revenues are currently collected at 63% of budget
- 48.9% of the expenditures budgets have been used

The projected use of fund balance for FY 11 is \$1,744,001. This amount is necessary to close the gap between revenue and expenditure. Aggressive measures may need to be identified to lower this projected amount.

Analysis of Expenditures – FY11 Expenditures to Date vs. Budgeted Expenditures For Period Ending December 31, 2010

This analysis reviews expenditures at period ending December 31, 2010. This review defines the percentage of expenditures for the period and will concentrate on major expenses.

General Fund

The current percentage of usage of expenditures is 48.9% this equates to \$13,485,421 of the County's appropriated \$28,031,867 expenditure budget. This compares to a 46.9% rate of usage in FY10 at the end of the same period.

Major Expenditure Category and percent of usage:

Phones – Land Line	36.9%
Travel	40.9%
Office Supplies	59.1%
Gasoline	40.0%
Utilities	33.0%

- **Conclusion**

- Major expenditure lines have not greatly exceeded their anticipated rate of expenditure.
- If rates of expenditure continue at current rate, we anticipate ending the year under budget.

Analysis of Revenue – FY11 Revenue to Date vs. Budgeted Revenues For Period Ending December 31, 2010

This analysis is a comparison of revenue collections at period ending December 31st, 2010. This comparison will define the percentage of collection for the period and will concentrate on the major revenue sources within revenue departments.

- **100100 – Ad Valorem Taxes**

The current rate of collections for property taxes is 88.8% which equates to \$13,580,032 of a \$15,296,140 budget. The majority of collections for this tax are in the months of November through January.

 - Current Taxes are collected at 91.7%, which is higher than the previous year at 79.2%.
 - Delinquent Taxes are collected at 59.1%, which is lower than the previous year at 71.9%.
 - This revenue source should meet or exceed expectations.

- **100150 – Sales Taxes**

The current rate of collections for Sales Taxes is 39.1% which equates to \$721,088 of a \$1,843,792 budget. The majority of collections for this tax will occur between September and May with typically 25% of collection occurring in June.

 - 1% Sales Tax Article 39 is collected at 49.4% of the budgeted amount for 2010. Compared with FY10 for the same period collections are down by 7.6%.
 - ½% Unrestricted Article 40 is collected at 36.5% of budget for FY11, 10.2% lower than FY10 for the same period.
 - ½% Restricted Article 40 is collected at 34.7% of budget for FY11, this rate is 12% lower than collections in the prior year for the same period.
 - Additional ½% Unrestricted Article 42 is collected at 35% for FY11, this rate is 5.5% lower than the collections in the prior year for the same period. Effective October 1, 2009, Article 42 is revised from Per Capita to Point of Delivery.
 - Additional ½% Restricted Article 42 is collected at 33% for FY11, this rate is 7.5% lower than the collections in the prior year for the same period. Effective October 1, 2009, Article 42 is revised from Per Capita to Point of Delivery.
 - Article 44 ½% taxes is no longer collected after October 2010. This revenue source produced \$4,852 of unbudgeted revenue due to adjustments and late filings.
 - At current Sales Taxes are slightly below expectations for the collection period July through November. If current trends continue, Sales Taxes may meet budget expectations. Additional

analysis of this revenue source is necessary before final conclusion can be drawn.

- 100180 – Excise Tax Stamps
 - Currently the collection rate is 69.5% while in the same period for FY10; the collection rate was 48.8%. The FY11 budget for this revenue source was reduced to reflect the sluggishness in the building industry based on actual for FY10.
 - Additional analysis of this revenue source is necessary before a conclusion can be drawn.

- 100200 – Unrestricted Intergovernmental
 - Collections are at 10% for FY11 as compared to 16.8% for FY10 for the same period. Revenue in this department is collected in various intervals, with Beer & Wine Taxes collected in May.
 - Typically this revenue source has exceeded budget estimates.

- 100210 – Restricted Intergovernmental – Health (Grants – State)
 - The current collection rate for this revenue source is 66.5%, as compared to 53% for the same period in FY10.
 - Typically this revenue source has exceeded budget estimates; it is estimated to meet expectations for FY11.

- 100211- Restricted Intergovernmental – DSS (Grants – State and Federal)
 - The current collection rate for this revenue source is 54% which equates to \$897,345 of a \$1,650,844 budget, as compared with 45.9% for FY10 for the same period.
 - Medicaid Title XIX has a current collection rate of 54.1%, 11% higher than collections for the prior year for the same period. Revenues in this account are collected at an even rate throughout the year with a slight increase in June.
 - Foster Care Reimbursements are collected at 32.8%, only 9.8% higher than collections for the prior year.
 - Typically this revenue source meets expectations.

- 100212 – Restricted Intergovernmental – DSS 1571 (Grants – State and Federal)
 - The current collection rate for this revenue source is 32.1% which equates to \$703,955 of a \$2,193,621 budget. This is compared to a collection rate of 32.1% for the prior fiscal year.
 - Typically this revenue source has exceeded budget estimates; it is estimated to meet expectations for FY11.

- 100220 – Restricted Intergovernmental Other (Grants – State)
 - The current collection rate for this revenue is 37.5% which equates to \$267,343 of a \$712,867 budget. This is compared to 32.2% for FY10 for the same period.

- Additional analysis of this revenue source is necessary before a conclusion can be drawn. Typically this revenue source has exceeded budget.
- 100300 – Permits and Fees
 - The current collection rate for this revenue source is 60.3% as compared to 60.2% for the same period in FY10.
 - Revenue expectation for this source was lowered in the budget process to allow for the sluggish economy.
 - It is anticipated this revenue source will meet expectations.
- 100400 – Sales & Services
 - The current collection rate for this revenue is 48.7% which equates to \$888,592 of a \$1,825,519 budget. This is compared to 51% for FY10 during the same period.
 - Major revenues in this department consist of Home Health Fees, Ambulance Fees and Health Medicaid Reimbursements, each exceeding collections for the prior year during the same period.
 - It is anticipated this revenue source will meet expectations.
- 100500 – Investment Earnings
 - The current collection rate is 71.4% which equates to \$7,139 of a \$10,000 revenue budget.
 - This revenue source is expected to meet expectation.
- 100600 – Miscellaneous Revenue
 - The current collection rate is 3%, Miscellaneous Revenue is not a significant revenue source, funds are directly associated with an expenditure source.
- **Conclusion**
 - Sales Tax revenues will need to be monitored to evaluate the full year's effect on performance as Article 42 has been revised from Per Capita to Point of Delivery which should reduce anticipated collections.
 - Although Investment Earnings will meet budget projections; the budget for this revenue source has been greatly reduced due to the economy and its effect on interest rates.
 - The Governor has requested state agencies to project 5 to 12% cuts to departments for FY12 which could negatively impact county allocations. Further details are needed before analysis can be made.

Analysis – General Obligation and Installment Purchase Debt – FY11

Currently the County has debt totaling \$12,343,230 in the General Fund. This debt is comprised of 14 projects with term remaining between 4 and 15 years. The interest rates on these loans range from 3.82% to 4.16%.

In FY09 the County refinanced 3 loans totaling \$6.2 million dollars, the saving associated with this refinance was \$86,427 over the life of the loans. In FY10 the County retired the debt on a \$3.6 million dollar bond issue for the Courthouse renovation, Jail and Middle and High School saving the County \$225,750 in annual principle and interest payments.

The County has now entered into new debt obligations for FY11; the new debt includes the Ambulance Storage Facilities, National Guard Armory Renovation, Mental Health Building Renovations, Old Library Renovations and New Tech High School. The principle and interest for these projects total \$140,810 annually.

To date, interest rates are significantly higher than in prior years. The increase in interest rates for governmental entities is due to:

- Financing tax exempt debt is no longer profitable
- Competition for governmental debt has declined

As a requirement of the Local Government Commission, loans can only be refinanced for the current life of the loan amount.

These facts equate to a higher debt service payment if current loans are refinanced.

Analysis – Investment and Funds on Deposit – FY11

Currently the County has funds on deposit with the North Carolina Capital Management Trust Company. These funds are comprised of the General Fund, Capital Project Funds, Enterprise Funds, and Enterprise Project Funds. The primary goal of the Trust is to ensure safety and liquidity of assets. On average all investments reach maturity within 38 days, this allows for the greatest flexibility in investing. All investments with the Trust are approved by North Carolina General Statute and adhere to strict oversight by the Local Government Commission (LGC) and the Securities and Exchange Commission (SEC). Deposits with the North Carolina Capital Management Trust Company are collateralized; this means the Trust Company has deposit insurance, surety bonds, letters of credit or investment securities in a sufficient amount to protect the local government from failure due to default or insolvency of the depository.

Locally, the County maintains a checking account with First Citizens Bank. As needed, funds are drawn from the North Carolina Capital Management Trust Company and deposited into the First Citizens account for disbursement. First Citizens by contract requires the County to maintain a balance of \$100,000. All funds due to the County such as Taxes, Fees, and Grants are deposited in the First Citizens checking account. On an as needed basis funds are transferred to the North Carolina Capital Management Trust to be invested. The County is FDIC insured through First Citizens, the County pays 0.16 per \$1,000 to insure funds on deposit. This insurance is backed by pledged United States government securities.

The collateralization and deposit insurance provided by these financial institutions ensures the solvency of the County's funds and the institutions in which those funds are deposited. The North Carolina Capital Management Trust has strong local and federal oversight to ensure solvency and First Citizens Bank is FDIC insured and all County funds are protected through this insurance.

Summary

In summary, Warren County begins the 3rd quarter of FY11 with revenues collected at 63% of budget and expenditure usage below 50%. Based on the FY 11 budget, \$2,172,319 of Fund Balance was appropriated to fill the gap between revenues and expenditures. Using current projections, \$1,744,001 of the \$2,172,319 will be necessary from Fund Balance.

Action may be necessary to identify measures to reduce the projected amount of Fund Balance needed to close the year.

Please feel free to contact me if you have any questions regarding the County's financial position.

**Employee Salary Increase Options for the
Board's Information**

**Warren County
Salary Increase Analysis**

319.83 FTE's

\$ 10,569,941 Total Salaries

	Increase Amount	FICA	Retiremt	401K Officers	Increase Total
1%	\$ 105,699	\$ 8,086	\$ 6,839	\$ 2,823	
	\$ 105,699	\$ 8,086	\$ 6,839	\$ 2,823	\$ 123,447

	Increase Amount	FICA	Retiremt	401K Officers	Increase Total
1.50%	\$ 158,549	\$ 12,129	\$ 10,258	\$ 2,823	
	\$ 158,549	\$ 12,129	\$ 10,258	\$ 2,823	\$ 183,760

	Increase Amount	FICA	Retiremt	401K Officers	Increase Total
2%	\$ 211,399	\$ 16,172	\$ 13,678	\$ 2,823	
	\$ 211,399	\$ 16,172	\$ 13,678	\$ 2,823	\$ 244,072

**Warren County
Salary Increase Analysis**

\$1,000 Lump-Sum

\$1,000 Lump Sum payment to Permanent Full-Time and Permanent Part-Time Employees

Total Employees 293

\$293,000 One time cost to the County

Increase Amount	FICA	Retiremt	401K Officers	Increase Total
\$ 293,000	\$ 22,415	\$ 14,445	\$ 1,850	\$ 331,709

\$500 Gift Card

\$500 Gift Card to Permanent Full-Time and Permanent Part-Time Employees

Total Employees 293

\$146,500.00 \$500 gift card for 293 employees
 \$732.50 cost to purchase gift cards from bank

\$147,233 Total Cost to County

**Update on Current Tax Collections
&
Delinquent Tax Collections Programs**

Eddie Mitchum, Tax Administrator

**Report on Feasibility of EMS Satellite Station
At Lake Gaston**

**Douglas Young, Emergency Services Director
&
Dennis Paschall, EMS Coordinator**



WARREN COUNTY
Emergency Medical Services
540 West Ridgeway Street
Warrenton, North Carolina 27589



Business
(252) 257-1191
(252) 257-2151

Emergency
911
(252) 257-3456

TO: *Doug Young, Emergency Services Director*
Linda Worth, County Manager

FROM: *Dennis M. Paschall, EMS Coordinator* 

Date: *January 19, 2011*

REF: *Requested Information for Budget Work Session*

The Emergency Medical Services within Zone 4 (Enterprise Area) is currently provided coverage by Warren County Rescue and Halifax County EMS for Paramedic coverage. Call review for the district in 2009 was 316 responses. The responses within the last six months of 2010 were 154 within the district. Halifax County has provided coverage since January 2000 within the district with funding provided by Warren County base on the call percentage within that area. The funding allotment in 2010-2011 was \$ 59,995.00 which provides salaries and benefits for three paramedics from Halifax County excluding the operating cost of the Quick Response Vehicle (QRV).

The following Options are for the consideration of the expansion of Warren County EMS into Zone 4 (Enterprise Area). Option (A) address the building, personnel and equipment to respond and transport from within the district. Option (B) address the district with coverage provided by a Paramedic on-duty within the district assigned to a Quick Response Vehicle (QVR) for response with no patient transport capability. Option (B) will require housing the vehicle and the personnel within the district for a rapid response. In addition, with Option (B) will require the utilization of Warren County Rescue to provide transport coverage as with the current setup within the district with Warren County Rescue and Halifax County EMS.

The estimate of revenues that could be generated on 325 responses is \$230,000.00 from within Zone 4 (Enterprise Area) with a conservative collection of (50%) \$115,000.00 on billable calls from within the district.

I would recommend a collaboration of all three agencies continue if the expansion is proposed in this budget year or the forthcoming budget years to provide an efficient and a timely manner response within Zone 4 (Enterprise Area).

(Expansion of Warren County EMS into Zone 4 {Warren County Rescue Squad District} Cost Estimate for First Year of Operation)

Initial Start up Cost Estimate: (Option A)

Construction of a satellite station & land purchase & furnishings	\$250,000.00
<i>*Can be reduced with the utilization of space at the Roanoke Wildwood Fire Department with the initial startup in Zone 4 for a nominal amount and an a written agreement between the County and the Roanoke Wildwood Fire Department.</i>	
Personnel with fringes for twelve months: (6) Full-time & (6) Part-time	368,522.00
EMS unit purchase & stock with equipment & supplies & radios	215,000.00
Uniforms: Full-time	13,800.00
Part-time	3,000.00
Portable Radios & Pagers	<u>2,700.00</u>
	\$853, 022, 00 (Sub-Total)

Miscellaneous Increase within Budget:

Collection fees for billing	4,000.00
Ambulance Supplies & Equipment & Oxygen	4,000.00
Fuel & Vehicle Operating Expense	10,000.00
Telephone & Internet & Cell	1,000.00
Utilities: (Water, Electrical, Gas)	7,000.00
Miscellaneous Accounts Increase Within Budget	<u>1,500.00</u>

\$880,522.00 (Total Option A)

Initial Start up Cost Estimate: (Option B)

Rental (Housing for the Paramedic & Vehicle)	\$ 24,000.00
<i>*Can be reduced with the utilization of space at the Roanoke Wildwood Fire Department with the initial startup in Zone 4 for a nominal amount and an a written agreement between the County and the Roanoke Wildwood Fire Department.</i>	
Personnel with fringes for twelve months: (3) Full-time & (3) Part-time	183,059.00
Quick Response Vehicle Purchase & stock with equipment & supplies & radio	152,000.00
Uniforms: Full-time	6,950.00
Part-time	1,500.00
Portable Radios & Pagers	<u>2,700.00</u>
	\$ 370,209.00 (Sub-Total)

Miscellaneous Increase within Budget:

Collection fees for billing	4,000.00
Ambulance Supplies & Equipment & Oxygen	4,000.00
Fuel & Vehicle Operating Expense	5,000.00
Telephone & Internet & Cell	1,000.00
Utilities: (Water, Electrical, Gas)	7,000.00
Miscellaneous Accounts Increase Within Budget	<u>1,500.00</u>

WARREN COUNTY EMS CALL VOLUME RESPONSE PER ZONE(S):

(1-1-2010 to 12-31-2010 Review Period)

Zone 1 (Warrenton):	987
Zone 2 (Oine):	1042
Zone 3 (Afton):	393
Zone 4 (Enterprise):	316 (Provided by Halifax County EMS & Warren County Rescue) 1 (Provided by Warren County EMS)
Zone 5 (Grove Hill):	158
MPMC (Henderson):	6
	2587
	316 (Provided by funding agreement with Halifax County EMS to provide Paramedic coverage within Zone 4 – Enterprise District)
	2903

Currently the three crew(s) on duty is assigned within Zone 1 to respond to the entire county.

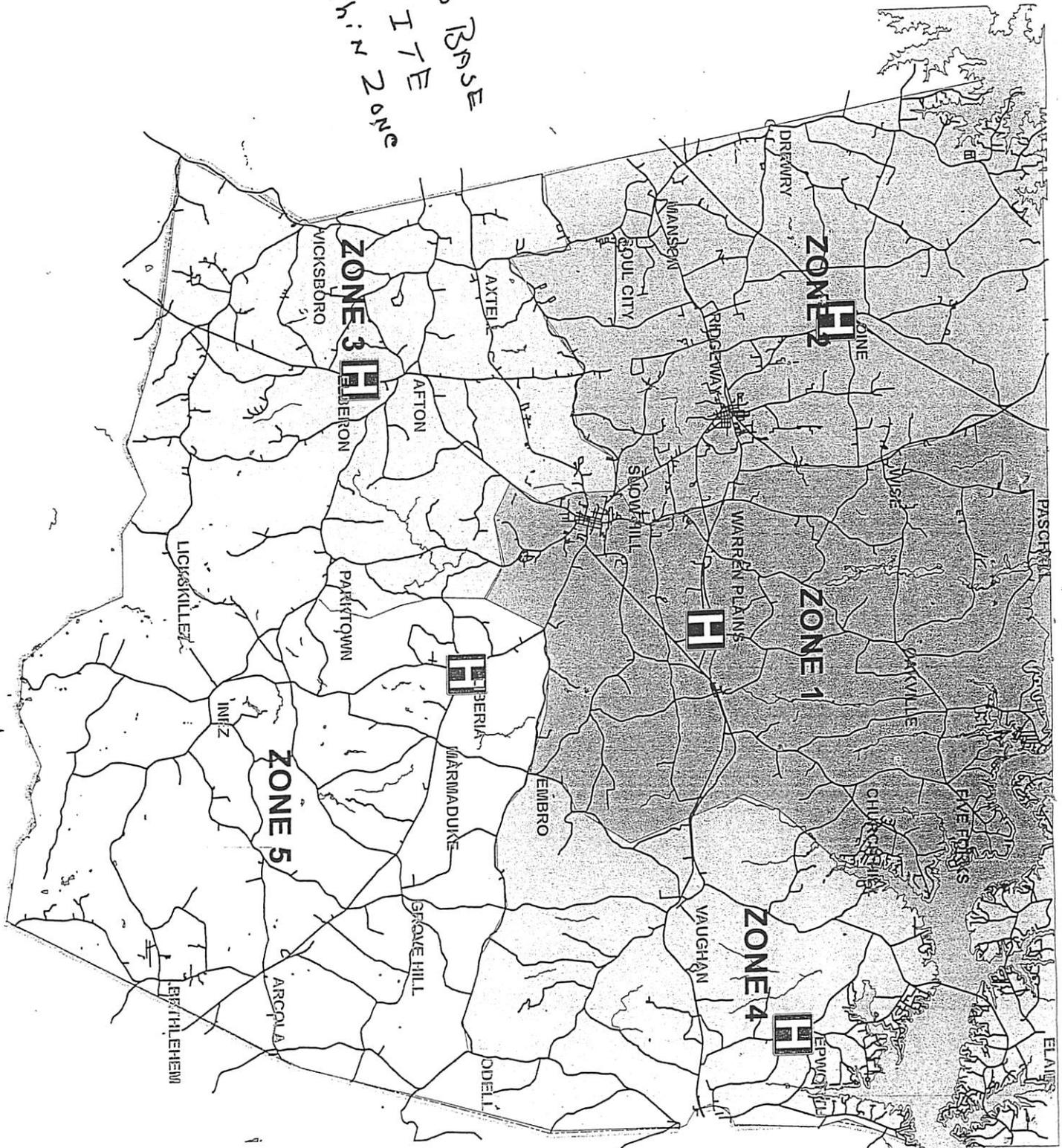
Station Placement Concept:

The placement of each station allows for the majority of all EMS events to be as close to the station as possible. The goal is to place the EMS stations where there are few locations as possible outside of a 16 minute responses zone.

Warren County EMS Statistics Review 2010 Base on a 90% Fractile Calculations:

EMS Average Chute Time:	(4) Minutes
EMS Notification to Scene:	(19) Minutes
EMS Response Mode (Lights and Sirens):	(16) Minutes
EMS On Scene Time (Lights and Sirens):	(27) Minutes
EMS Transport Time (Lights and Sirens):	(30) Minutes

H =
 EMS BRSE
 SITE
 within 2 zone



- Zone 1 - 98 square miles
- Zone 2 - 84 square miles
- Zone 3 - 80 square miles
- Zone 4 - 84 square miles
- Zone 5 - 105 square miles

Break for Lunch

12:00 to 12:30 p.m.

**Box Lunches Will Be Provided
For
Board of County Commissioners
And
Administrative Staff**

Update on Warren County Capital Projects

Charles Ayscue, Buildings & Grounds Manager

**TIMELINE FOR WARREN COUNTY CAPITAL PROJECTS
TO BE COMPLETED IN-HOUSE**

<u>PROJECT</u>	<u>ANTICIPATED COMPLETION</u>
Mental Health Building Renovations	6/1/11
Additional Renovations to Armory	6/30/11
EMS Satellite Facility (1)	5/1/11
EMS Satellite Facility (2)	11/15/11
Former Doctor's Office for County Administration	9/1/11

CAPITAL PROJECTS ANTICIPATED TO BE URGENT FOR FY 12

<u>PROJECT</u>	<u>ESTIMATED COST</u>
Courthouse Roof	\$50,000
Roof on EMS Base*	\$25,000
Renovations to EMS Base (Window Replacement/Painting/Flooring Repairs)	\$25,000
TOTAL EXTIMATED COST	\$100,000

*Ridgeway St., Warrenton

**Update on Energy Efficiency Conservation
Block Grant Program**

**Debbie Formyduval, Project Manager
Charles Ayscue, Project Manager**

Update on Warren County Schools Capital Projects

**Dr. Ray Spain, Superintendent
Warren County Public Schools**

**Department Head Presentations
on
FY 11 Capital and/or Expansion Needs**

**1:30 p.m. – Sheriff Williams, Venecia Harris,
Douglas Young, & Dennis Paschall**

1:45 p.m. -

2:00 p.m. -

2:15 p.m. -

**Work Session Wrap-Up and
Closing Statements
by
Board of Commissioners**

Adjournment