

CUMBERLAND COUNTY FINANCE COMMITTEE
COURTHOUSE, 117 DICK STREET, 5TH FLOOR, ROOM 564
DECEMBER 14, 2017 – 1:00 PM
SPECIAL MEETING MINUTES

MEMBERS PRESENT: Commissioner Marshall Faircloth, Chairman
Commissioner Jeannette Council
Commissioner Jimmy Keefe

OTHERS: Commissioner Glenn Adams
Commissioner Michael Boose
Commissioner Larry Lancaster
Amy Cannon, County Manager
Melissa Cardinali, Assistant County Manager
Tracy Jackson, Assistant County Manager
Sally Shutt, Assistant County Manager
Duane Holder, Assistant County Manager
Rick Moorefield, County Attorney
Vicki Evans, Finance Director
Ivonne Mendez, Accounting Supervisor
Bob Tucker, Accounting Supervisor
Geneve Mankel, Communications and Outreach Coordinator
Candice H. White, Clerk to the Board

Commissioner Faircloth called the meeting to order.

1. APPROVAL OF MINUTES – NOVEMBER 2, 2017 REGULAR MEETING

MOTION: Commissioner Keefe moved to approve the November 2, 2017 minutes.
SECOND: Commissioner Council
VOTE: UNANIMOUS (3-0)

2. PRESENTATION OF FISCAL YEAR 2017 AUDIT RESULTS

BACKGROUND:

The preliminary fiscal year 2017 audit results will be presented during the December finance committee meeting.

RECOMMENDATION/PROPOSED ACTION:

No action needed – for discussion and information purposes only.

Amy Cannon, County Manager, called on Finance Director Vicki Evans who provided the following audit results presentation. Ms. Evans stated presentation of the audit results at Board of

Commissioner meetings has historically focused on the general fund but at this meeting and in the future, staff will go in depth to include highlights of other funds that historically have not been covered. Ms. Evans stated the results of the 2017 audit can be used as a starting point for future budget discussions for fiscal year 2019.

Ms. Evans stated as in years past, the County received an unmodified or “clean opinion” on its audit which represents the highest level of assurance. Ms. Evans stated Cherry Bekaert will go into more detail about the audit during the December 18 presentation.

Ms. Evans reviewed the categories of fund balance below and stated the Board has no control over funds within the non-spendable and restricted categories and limited control over the committed categories. Ms. Evans stated assigned fund balances are funds set aside for future purposes or projects and these amounts and uses can be adjusted by Board action. Ms. Evans stated assigned and unassigned fund balance uses can be specifically covered for future planning during the fiscal year 2019 budget process and during the goal setting meeting.

Categories of Fund Balance

Non-spendable – year-end balances that are not spendable resources

Restricted – by state statute

Committed – for specific statutory purposes

Assigned – funds set aside for future purposes or projects

Unassigned – County’s policy – minimum set at 10% of expenditures

Ms. Evans stated the general fund fund balance was \$108.8 million as of June 30, 2017 and this amount does not include the county school fund. Ms. Evans provided an overview of the general fund’s fund balance stating the assigned amount totals \$30.6 million and the unassigned amount totals \$47 million. Ms. Evans stated the unassigned fund balance represents 14.83% of fiscal year 2017’s expenditures with the percentage required by policy being a minimum of 10%.

General Fund - Fund Balance

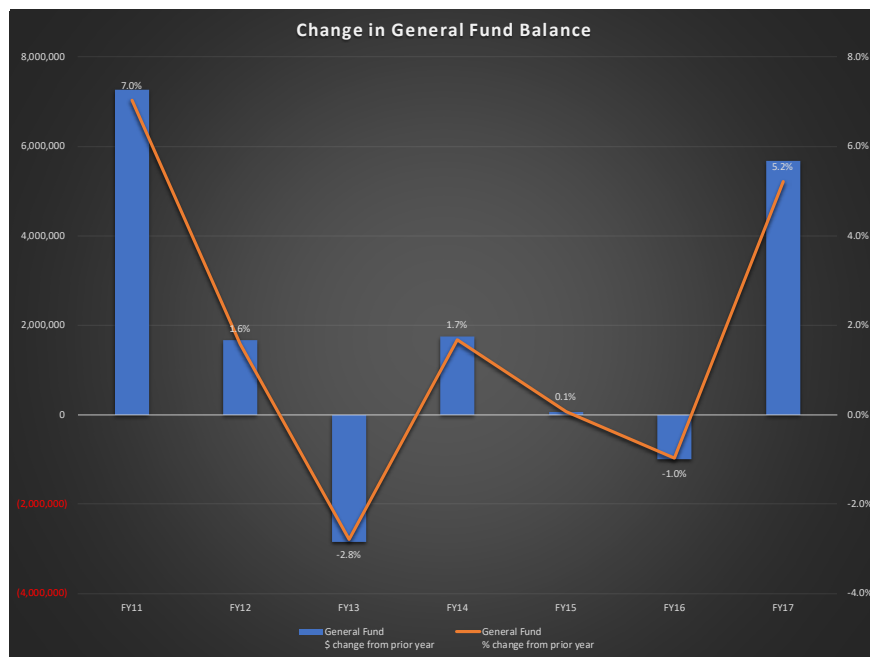
(County school fund excluded)

Nonspendable	
Inventories	\$ 174,458
Prepays	11,628
Restricted:	
Stabilization by state statute	26,703,544
Register of deeds	901,098
Committed:	
Tax revaluation	1,167,295
LEOSA pension obligation	2,290,100
Assigned:	
Subsequent year's expenditures	8,889,652
Tax office software	4,406,300
Water & sewer industrial expansion	4,527,610
Economic development incentives	1,065,139
Mental health services	2,160,841
Public health	3,200,854
Capital Investment Fund	1,324,938
Renovations & maintenance	1,250,000
Special purposes	2,247,143
Technology Upgrades	1,500,000
Unassigned	47,016,763
Total fund balance	<u>\$ 108,837,363</u>
2017 expenditures	\$ 317,112,543
Unassigned fund balance as a percentage of FY2017 expenditures	14.83%

Ms. Evans provided an overview of the history of fund balance as recorded below with the general fund and county school fund combined. Ms. Evans stated for fiscal year 2017, the general fund's fund balance increased by 5.2%, or \$5.7M and the school fund's fund balance increased 26.3% or \$3.9M.

	GENERAL (101)	\$ change from prior year	% change from prior year	SCHOOL (106)	\$ change from prior year	% change from prior year	COMBINED	\$ change from prior year	% change from prior year
FY17	\$ 108,837,363	\$ 5,675,330	5.2%	\$ 14,886,966	\$ 3,913,691	26.3%	\$ 123,724,329	\$ 9,589,021	7.8%
FY16	103,162,033	(997,133)	-1.0%	10,973,275	1,955,969	17.8%	114,135,308	958,836	0.8%
FY15	104,159,166	66,020	0.1%	9,017,306	1,597,800	17.7%	113,176,472	1,663,820	1.5%
FY14	104,093,146	1,745,630	1.7%	7,419,506	(133,629)	-1.8%	111,512,652	1,612,001	1.4%
FY13	102,347,516	(2,852,737)	-2.8%	7,553,135	568,381	7.5%	109,900,651	(2,284,356)	-2.1%
FY12	105,200,253	1,663,262	1.6%	6,984,754	(979,605)	-14.0%	112,185,007	683,657	0.6%
FY11	103,536,991	\$ 7,273,948	7.0%	7,964,359	(537,626)	-6.8%	111,501,350	\$ 6,736,322	6.0%

Ms. Evans provided highlights of the following graph as a picture of the changes in fund balance within the general fund without the school fund and noted the general fund balance has fluctuated up and down over the years.



Ms. Evans stated there were four major areas that led to an increase in fund balance of the general fund this past year with plan changes in the group health insurance fund having the greatest impact. Ms. Evans stated before books were closed for year-end, it was determined the budgeted transfer from the general fund of \$2.2M was not needed as actual costs within the health insurance fund came in lower than anticipated. Ms. Evans stated ad valorem, motor vehicle, and sales taxes all came in above budget. Ms. Evans stated Hurricane Matthew recovery was a big event during the year; departments had increases to personnel costs as a result of overtime worked, equipment was

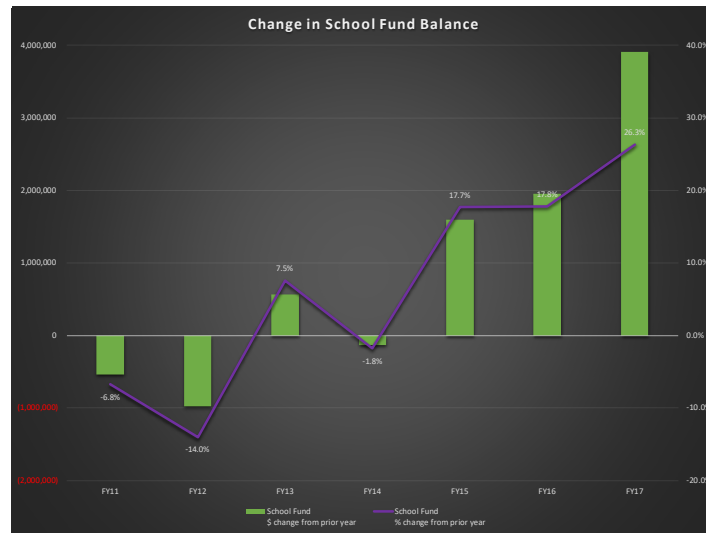
replaced, vehicles were replaced, and there was repair and maintenance to buildings. Ms. Evans stated the majority of costs were covered by insurance reimbursements and/or FEMA funding.

General Fund Increase in Fund Balance

(amounts are approximate)

Group Health Insurance Fund experienced positive results	2,200,000
budgeted transfer not needed at year-end	
Motor Vehicle taxes exceeded budget	1,850,000
Ad Valorem taxes exceeded budget	1,350,000
Sales taxes exceeded budget	500,000
Hurricane Matthew recovery	(200,000)
Total Increase in Fund Balance	5,700,000

Ms. Evans provided highlights of the graph below and stated the school fund has been on the rise over the past several years after facing declines in three years between fiscal years 11 and 14. Ms. Evans stated the increase of \$3.9M means that revenues were greater than expenditures and transfers out. Ms. Evans stated actual revenues exceeded budget by \$1.3M and most notably, sales taxes were higher. Ms. Evans stated actual expenditures were below budget by \$7.4M and most notably, capital outlay for facilities was lower. Ms. Evans stated appropriated fund balance was not utilized. Ms. Evans stated the County is responsible for the capital needs of the schools and the school fund can only be used for capital expenditures or to pay debt for the schools.



	2017			
	Budget	Actual	Variance Positive (Negative)	2016
Revenues				
Other taxes	\$ 9,560,294	\$ 10,415,026	\$ 854,732	\$ 9,913,132
Unrestricted intergovernmental revenue	800,000	920,719	120,719	876,812
Restricted intergovernmental revenue	3,430,000	3,674,258	244,258	3,724,973
Interest earned on investments	-	24,775	24,775	19,338
Miscellaneous	-	80,278	80,278	73,421
Total revenues	13,790,294	15,115,056	1,324,762	14,607,676
Expenditures				
Education				
School capital outlay I	9,839,879	2,904,748	6,935,131	4,870,776
School capital outlay II	2,739,371	2,341,637	397,734	2,229,630
School capital outlay III	641,408	589,063	52,345	378,760
Total expenditures	13,220,658	5,835,448	7,385,210	7,479,166
Revenues over expenditures	569,636	9,279,608	8,709,972	7,128,510
Other financing sources (uses)				
Transfers in	-	-	-	313,330
Transfers (out)	(5,365,919)	(5,365,917)	2	(5,485,871)
Appropriated fund balance	4,796,283	-	(4,796,283)	-
Total other financing sources (uses)	(69,636)	(5,365,917)	(4,796,281)	(5,172,541)
Revenues and other financing sources (uses) over (under) expenditures	\$ -	3,913,691	\$ 3,913,691	1,955,969
Fund balances				
Beginning of year - July 1		10,973,275		9,017,306
End of year - June 30		<u>\$ 14,886,966</u>		<u>\$ 10,973,275</u>

School Fund Increase in Fund Balance

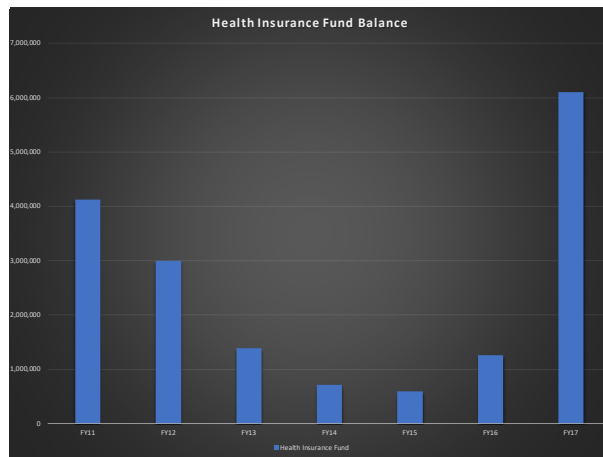
Actual revenues exceeded budget	1,300,000
Actual expenditures were below budget	7,400,000
Appropriated fund balance was not utilized	(4,800,000)
Total Increase in Fund Balance	<u>3,900,000</u>

Ms. Evans provided highlights of the fund balance in the group health insurance fund. Ms. Evans stated after experiencing high claims amounts for three fiscal years in a row, the health insurance fund experienced an increase to fund balance in fiscal year 2017 as a result of significant plan changes made during that year's budget process. Ms. Evans stated the employee pharmacy, employee health clinic and staff are also part of the group health insurance fund. Ms. Evans stated in the recent past, the County has had to do transfers out of the general fund and into the health insurance fund to cover the unexpectedly high cost of rising claims. Ms. Evans stated stabilizing this fund has been discussed in the past and at a future meeting, and for planning purposes, staff would like to bring back a policy of setting a minimum fund balance for this fund to support financial stability over the long term.

	2017		Variance	
	Budget	Actual	Positive (Negative)	2016
Revenues				
Operating revenues				
Contributions - Group health insurance	\$ 19,815,743	\$ 24,598,900	\$ 4,783,157	\$ 19,813,170
Pharmacy services	2,099,000	3,182,529	1,083,529	2,063,919
	<u>21,914,743</u>	<u>27,781,429</u>	<u>5,866,686</u>	<u>21,877,089</u>
Non-operating revenues				
Litigation settlement	-	(10,285)	(10,285)	(7,847)
Interest earned on investments	250	14,352	14,102	834
	<u>250</u>	<u>4,067</u>	<u>3,817</u>	<u>(7,213)</u>
Other financing sources				
Transfers in	2,310,000	110,000	(2,200,000)	5,430,000
Appropriated fund balance	-	-	-	-
Total revenues and other financing sources	<u>\$ 24,224,993</u>	<u>\$ 27,895,496</u>	<u>\$ 3,670,503</u>	<u>\$ 27,299,876</u>
Operating expenditures				
Employee pharmacy	\$ 3,457,721	\$ 3,590,037	\$ (132,316)	\$ 2,579,038
Employee clinic	403,200	353,889	49,311	281,947
Group health insurance	20,117,959	18,970,090	1,147,869	23,618,571
Employee wellness program	246,113	134,781	111,352	156,554
	<u>24,224,993</u>	<u>23,048,777</u>	<u>1,176,216</u>	<u>26,636,110</u>
Other financing uses				
Transfers out	-	-	-	-
Total expenditures and other financing uses	<u>\$ 24,224,993</u>	<u>\$ 23,048,777</u>	<u>\$ 1,176,216</u>	<u>\$ 26,636,110</u>
Reconciliation of income before transfers				
Total revenues and other financing sources		\$ 27,895,496		
Total expenditures and other financing uses		<u>23,048,777</u>		
Subtotal		<u>4,846,719</u>		
Contributions made to the pension plan in the current year		21,277		
Pension expense		<u>(21,277)</u>		
Income (loss) per the Statement of Revenues, Expenses and Changes in net position		<u>\$ 4,846,719</u>		

Group Health Insurance Fund Increase in Fund Balance

Actual revenues exceeded budget	3,600,000
Actual expenditures were below budget	1,200,000
Total Increase in Fund Balance	<u>4,800,000</u>



Ms. Evans stated the solid waste fund is an enterprise fund that is accounted for as a business type activity. Ms. Evans provided highlights of the solid waste fund stating for fiscal year 2017, fund balance increased by \$3.2M. Ms. Evans stated within operating revenues, charges for services had the biggest impact and within non-operating revenues, grant revenue exceeded budget by \$2.3M. Ms. Evans stated this is directly related to FEMA funding as FEMA funding affected Solid Waste more than any other fund with a reimbursement of almost \$2.6M. Ms. Evans stated the largest impact was for equipment use; Solid Waste used their own equipment and FEMA allowed reimbursement based on hourly rates the equipment was in operation. Ms. Evans stated this is based on a concept that additional equipment use related to the disaster caused there to be wear-and-tear on the equipment and rates assign a value to that use.

	2017			2016
	Budget	Actual	Variance Positive (Negative)	
Operating revenues				
Charges for services	\$ 3,774,133	\$ 4,615,491	\$ 841,358	\$ 3,936,708
Other operating revenue	8,541	11,388	2,847	11,388
Solid waste fees	4,961,946	4,975,987	14,041	4,958,018
Total operating revenues	8,744,620	9,602,866	858,246	8,906,114
Nonoperating revenues and other financing sources				
Interest earned on investments	131,792	183,559	51,767	232,419
Gain (loss) on disposal of capital assets	17,889	194,768	176,879	-
Miscellaneous	209,398	28,384	(181,014)	697,799
Grant revenue	491,362	3,384,721	2,893,359	493,139
Transfers in	591,224	-	(591,224)	37,190
sources	1,441,665	3,791,432	2,349,767	1,460,547
Appropriated fund balance	10,255,057	-	(10,255,057)	-
Total revenues, other financing sources and fund balance appropriations	<u>\$ 20,441,342</u>	<u>\$ 13,394,298</u>	<u>\$ (7,047,044)</u>	<u>\$ 10,366,661</u>
Operating expenditures				
Salaries and employee benefits	\$ 3,522,533	\$ 3,519,965	\$ 2,568	\$ 3,155,816
Repairs and maintenance	1,497,500	1,344,493	153,007	1,620,406
Utilities	131,233	126,969	4,264	124,904
Administrative costs	4,492,745	3,794,838	697,907	3,295,391
Landfill closure and postclosure care costs	700,000	648,547	51,453	444,469
Total operating expenditures	10,344,011	9,434,812	909,199	8,640,986
Other expenditures and financing uses				
Capital outlay	10,048,578	2,328,339	7,720,239	2,327,953
Transfers out	48,753	-	48,753	-
Total other expenditures and financing uses	10,097,331	2,328,339	7,768,992	2,327,953
Total expenditures and other financing uses	<u>\$ 20,441,342</u>	<u>\$ 11,763,151</u>	<u>\$ 8,678,191</u>	<u>\$ 10,968,939</u>
Reconciliation of modified accrual basis to full accrual basis				
Total revenues and other financing sources		\$ 13,394,298		
Total expenditures and other financing uses		11,763,151		
		1,631,147		
Capital outlay		2,328,339		
Depreciation		(755,169)		
Contributions made to the pension plan in the current year		134,509		
Pension expense		(134,509)		
Change in net position		<u>\$ 3,204,317</u>		

Solid Waste Fund Increase in Fund Balance
(amounts are approximate)

Actual operating revenues exceeded budget	900,000
Actual non-operating revenue exceeded budget	2,300,000
Total Increase in Fund Balance	<u>3,200,000</u>

Ms. Evans stated in September the County engaged Cherry Bekaert to conduct a separate audit engagement and the results showed that the County's data was fairly stated in all material respects. Ms. Evans stated this means that no issues were found that could have resulted in findings or corrections having to be made.

Ms. Evans concluded her presentation stating although she presented four funds, each of which had increases to fund balance for fiscal year 2017, it should be realized that not all funds had increases to fund balance. Ms. Evans stated other funds can be found in the Comprehensive Annual Financial Report. Questions followed about the \$30.6 million total assigned and funds included therein.

3. Information on Development of Capital Planning Model

BACKGROUND:

The challenges facing Cumberland County have not diminished over the past decade, nor is it anticipated they will diminish in the near future. There remains the constant struggle of providing education, health and human services for a diverse population with very limited funding.

The struggle was the center of the Fiscal Year 2018 budget. Management understands the difficult situation posed by these opposing forces and needs. As a result, at the end of the FY18 budget cycle, we reached out to the County's financial advisors for assistance in creating a solution. Multiple conversations and financial models to develop options and understand impacts have occurred during this time. Together we have reached a recommended sustainable solution for the Finance Committee's consideration.

The capital funding model is key to providing sustainable long-term capital needs without the prospect of increasing the ad valorem tax rate. To achieve ultimate benefits of the model, it will be important to incorporate the capital planning model into the annual budget process beginning with Fiscal Year 2019.

Therefore, management recommends the details of how the model works, the goals to be set and the foreseen results be reviewed with the Board of Commissioners over the next few months. This process will coincide with the Board goal setting and capital planning process to be incorporated into the annual budget planning session in February or March 2018.

RECOMMENDATION/PROPOSED ACTION:

No action needed – information only.

Ms. Cannon stated the capital planning and funding model are directly tied to the capital investment fund which is an assignment on the balance sheet. Melissa Cardinali, Assistant County

Manager, reviewed the background information recorded above and stated staff recognize that these challenges present a very difficult situation for the Board as leaders. Ms. Cardinali stated the most significant challenge is capital because it requires a significant dollar investment over multiple years, and not making capital improvements will result in escalating repairs and maintenance costs. Ms. Cardinali stated the issues facing Cumberland County are not unique, but the answer has to be tailored to Cumberland County's specific needs. Ms. Cardinali stated the result is a capital planning model that has been used in other large local governments that can be tailored to Cumberland County. Ms. Cardinali stated the benefits to this model are significant in that current funding can be diverted to address capital needs without increasing the tax rate and will provide flexibility to address the Board's priorities with funds available as early as FY 2019. Ms. Cardinali stated the key to moving this forward is planning and tying together the processes for the CAFR, CIP and budget because they are intertwined. Ms. Cardinali stated the success of this model is to set priorities for which projects the Board wants to address first and what dollars the Board wants to allocate to each project. Ms. Cannon stated the capital planning model is a solution that will fund repairs and maintenance, the capital improvement plan and future capital projects, and move the projects out of the operating budget in a manner that does not require additional funding. Questions and comments followed.

4. REPORT OF CONTRACTS WITH OUTSIDE LEGAL COUNSEL FOR COUNTY DEPARTMENTS

BACKGROUND:

During the Finance Committee meeting on November 2, 2017, finance committee members requested a tabulation of outside legal counsel used for all County departments and a listing of when the contracts come due or expire. The tabulation is included in the spreadsheet recorded below as requested.

RECOMMENDATION/PROPOSED ACTION:

No action needed – for discussion and information purposes only.

Attorney	Contract on file?	Expiration date?	Purpose	FEES PAID by FISCAL YEAR		
				FY18 (as of 11-20-17)	FY17	FY16
Margaret Russ	yes	6/30/2018	DSS Attorney	\$ 16,000	\$ 74,000	\$ -
Elizabeth Gurnee	yes	6/30/2018	DSS Attorney	\$ -	\$ -	\$ -
Hunton & Williams	engagement letter		Bond Counsel (debt related) - Crown Management contract question COMPLETE FY17 Overhills Park bond counsel COMPLETE FY16 CIP financing COMPLETE	\$ -	\$ 21,653	\$ 20,000
McGuire Woods/The Charleston Group	engagement letter		Bond Counsel (debt related) - FY18 CIP financing COMPLETE FY18 Overhills Park extension IN PROCESS FY18 LOBs refunding COMPLETE	\$ 77,728	\$ -	\$ -
Parker Poe Adams & Bernstein	engagement letter		Bond Counsel (debt related) - FY18 Overhills Park extension (bank counsel) IN PROCESS FY17 Overhills Park bond counsel COMPLETE FY16 CIP financing COMPLETE	\$ 2,500	\$ 5,000	\$ 10,000
Parker Poe Adams & Bernstein	engagement letter		Advisor on benefits IN PROCESS	\$ -	\$ -	\$ -
Womble Carlyle Sandridge & Rice	engagement letter		Underwriter (debt related) - FY18 LOBs refunding COMPLETE	\$ 50,000	\$ -	\$ -
David B. Craig	no		Tax Attorney for foreclosures ONGOING	\$ 34,406	\$ 62,371	\$ 85,440

Ms. Evans stated an analysis was conducted of outside legal counsel paid by the County over fiscal years 16-17 and year-to-date fiscal year 18. Ms. Evans provided highlights of the graph recorded above and clarified the County has a contract with Attorney David B. Craig that was executed in 2010 with no expiration date and can be terminated with notice from either party. In response to a question from Commissioner Keefe, Ms. Evans stated David B. Craig is paid out of the tax budget, the two DSS attorneys are paid out of the Social Services budget and bond counsel comes out of financial costs related to that particular item.

5. MONTHLY FINANCIAL REPORT

BACKGROUND:

The financial report reflective of fiscal year 2018, October year-to-date actuals will be presented during the finance committee meeting.

The report has been modified to incorporate suggested changes made during the November finance committee meeting.

- Encumbered amounts were removed and the reports now show actuals (cash paid) instead of obligated.
- A column for fiscal year 2017 actuals has been added.
- In the spring a column for fiscal year 2018 year-end projection will be added.
- Additional detail has been provided on a separate page explaining any percentages that may appear off with year-to-date expectations.
- Overall, revenues and expenditures are consistent with the same time as last fiscal year.

As always, modifications to the report can be implemented to provide you the most useful information.

RECOMMENDATION/PROPOSED ACTION:

No action needed – for discussion and information purposes only.

	PRELIMINARY FY16-17 AUDITED	FY17-18 ADOPTED BUDGET	FY17-18 REVISED BUDGET	YTD ACTUAL AS OF OCTOBER 31, 2017	PERCENT OF BUDGET TO DATE	*
REVENUES						
Ad Valorem Taxes						
Current Year	\$ 156,131,527	\$ 160,312,162	\$ 160,312,162	\$ 37,258,284	23.2%	(1)
Prior Years	1,046,732	1,121,000	1,121,000	570,301	50.9%	
Motor Vehicles	17,683,864	18,070,242	18,070,242	4,656,741	25.8%	(2)
Penalties and Interest	650,368	667,602	667,602	134,494	20.1%	
Other	1,018,563	930,279	930,279	385,098	41.4%	
Total Ad Valorem Taxes	176,531,054	181,101,285	181,101,285	43,004,918	23.7%	
Other Taxes						
Sales	41,517,943	41,760,036	41,760,036	3,474,845	8.3%	(3)
Real Estate Transfer	1,091,362	700,000	700,000	348,508	49.8%	
Other	1,114,408	1,111,500	1,111,500	180,948	16.3%	
Total Other Taxes	43,723,713	43,571,536	43,571,536	4,004,301	9.2%	
Unrestricted & Restricted Intergovernmental Revenues	75,613,483	67,300,253	69,608,463	15,004,580	21.6%	(4)
Charges for Services	13,832,010	12,056,608	12,071,608	3,152,198	26.1%	
Other Sources (includes Transfers In)	8,945,521	6,988,890	7,028,020	524,697	7.5%	(5)
Proceeds Refunding Bonds		-	23,005,000	23,005,000	100.0%	(6)
Premium on COPS Sold		-	4,285,558	4,285,557	100.0%	(6)
County Closing Contribution		-	254,736	254,735	100.0%	(6)
Lease Land CFVMC	3,714,637	3,714,637	3,714,637	3,474,492	93.5%	(7)
Total Other	10,703,527	38,287,951	38,287,951	31,544,481	82.4%	
Total Revenue	\$ 322,360,418	\$ 314,733,209	\$ 344,640,843	\$ 96,710,478	28.1%	
Fund Balance Appropriation		8,889,652	10,357,328	-	0.0%	(8)
Total Funding Sources	\$ 322,360,418	\$ 323,622,861	\$ 354,998,171	\$ 96,710,478	27.2%	

	PRELIMINARY			YTD ACTUAL		
	FY16-17	FY17-18	FY17-18	EXPENDITURES AS OF	PERCENT OF	
DEPARTMENTS	AUDITED	ADOPTED BUDGET	REVISED BUDGET	OCTOBER 31, 2017	BUDGET TO DATE	**
Governing Body	\$ 591,731	\$ 617,587	\$ 617,587	\$ 213,512		34.6%
Administration	2,515,558	1,501,201	1,501,201	387,769		25.8%
Public Affairs/Education	76,879	497,199	497,199	119,127		24.0%
Human Resources	30,245	828,896	828,896	227,320		27.4%
Print, Mail, and Design	754,908	875,345	875,345	187,469		21.4%
Court Facilities	55,786	129,370	168,010	55,422		33.0%
Facilities Maintenance	1,936,136	2,009,030	2,110,875	417,183		19.8%
Landscaping & Grounds	606,364	607,577	607,577	177,234		29.2%
Carpentry	231,715	234,884	234,884	58,413		24.9%
Facilities Management	1,238,266	1,267,781	1,267,781	354,815		28.0%
Public Buildings Janitorial	721,041	710,946	710,946	217,805		30.6%
Central Maintenance	798,075	672,386	672,386	209,350		31.1%
Information Services	3,388,444	3,958,479	4,067,447	1,188,482		29.2%
Board of Elections	1,180,015	2,237,762	2,237,762	262,857		11.7% (1)
Finance	1,205,572	1,201,225	1,201,225	324,393		27.0%
Legal	668,776	813,554	813,554	181,670		22.3%
Register of Deeds	2,092,298	2,321,099	2,761,865	550,581		19.9%
Tax	5,567,709	5,589,154	5,620,154	1,439,147		25.6%
Debt Service	23,400,669	21,464,283	21,466,328	3,518,312		16.4% (2)
General Government Other	3,828,293	4,237,882	4,334,555	843,416		19.5%
Sheriff	47,212,707	50,250,550	50,461,330	13,094,381		25.9%
Emergency Services	3,064,405	3,320,934	3,392,791	1,019,098		30.0%
Criminal Justice Pretrial	434,987	426,673	426,673	107,102		25.1%
Youth Diversion	325	25,000	25,000	219		0.9% (3)
Animal Control	2,932,986	2,922,717	2,947,717	828,914		28.1%
Public Safety Other (Medical Examiners, NC Detention Subsidy, etc.)	1,007,220	1,075,666	1,075,666	245,042		22.8%
Health	22,269,462	22,506,054	22,987,565	6,146,762		26.7%
Mental Health	3,148,761	5,452,507	5,442,207	1,453,157		26.7% (4)
Social Services	71,524,059	66,425,182	67,141,445	18,161,708		27.0%
Veteran Services	\$ 371,189	\$ 385,725	\$ 385,725	\$ 111,748		29.0%
Child Support	\$ 4,893,727	\$ 5,044,200	\$ 5,044,200	\$ 1,395,427		27.7%
Spring Lake Resource Administration	31,524	34,332	34,332	7,264		21.2%
Library	11,105,397	10,530,428	10,694,765	3,079,088		28.8%
Stadium Maintenance	110,288	117,296	117,296	28,820		24.6%
Culture Recreation Other (Some of the Community Funding)	312,816	268,069	268,069	87,306		32.6%
Planning	3,077,126	3,446,758	3,455,653	815,374		23.6%
Engineering	439,678	510,090	510,090	144,456		28.3%
Cooperative Extension	570,083	705,596	705,596	141,904		20.1%
Location Services	357,095	447,221	447,221	89,974		20.1%
Soil Conservation	141,234	136,400	1,360,808	39,129		2.9% (5)
Public Utilities	87,442	110,270	124,474	22,241		17.9%
Economic Physical Development Other	20,000	20,000	20,000	20,000		100.0% (6)
Industrial Park	3,296	23,148	23,148	282		1.2% (7)
Economic Incentive	420,423	548,418	710,918	28,749		4.0% (8)
Water and Sewer	-	250,000	250,000	-		0.0% (9)
Education	91,394,940	93,341,404	93,341,404	30,783,530		33.0%
Other Uses:						
Transfers Out	2,264,613	3,522,583	3,465,252	34,531		1.0% (10)
Refunding of 2009A and 2011B LOBS	-	-	27,543,249	27,530,230		100.0% (11)
TOTAL	\$ 318,084,263	\$ 323,622,861	\$ 354,998,171	\$ 116,350,713		32.8%
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Fiscal Year 2018 - October Year-to-Date Actuals	
Additional Detail	
General Fund Revenues	
*	
(1)	Current Year Ad Valorem 23.2% - the bulk of revenues are typically recorded between November - January.
(2)	Motor Vehicles 25.8% - YTD Actual reflects 3 months of collections.
(3)	Sales Tax 8.3% - YTD Actual reflects one month of collections.
(4)	Unrestricted/Restricted Intergovernmental Revenues 26.1% - lag in revenue is typically one month.
(5)	Other Sources (includes Transfers In) 7.5% - Rental income makes up majority of actual receipts. The majority of remaining balance is budgeted as a transfer in to fund the Board of Ed debt payment toward year-end.
(6)	Proceeds , Premium, Closing 100% - COPS/LOBS refunding of \$23M closed in August 2017. (Correlates with item (11) on report of expenditures.)
(7)	Lease Land CFVMC 93.5% - typically paid in the beginning of the fiscal year. Staff are following up on the balance remaining.
(8)	Fund Balance Appropriation 0% - Direct entries are not made to fund balance throughout the fiscal year.
General Fund Expenditures	
**	
(1)	Board of Elections 11.7% - capital purchase budgeted for \$809,045 has not yet been purchased.
(2)	Debt Service 16.4% - a large debt payment was incurred in late November. The percentage of actual will be more in line after that payment.
(3)	Youth Diversion .9% - expenditures for this program tend to occur later in the fiscal year. Conference scheduled during the month of December.
(4)	Mental Health - as discussed during the November finance committee meeting, a budget revision was completed to decrease the budgeted amount for payment to Alliance Behavioral Health to be in accordance with the FY18 agreement.
(5)	Soil Conservation 2.9% - Revised budget reflects \$1.2M addition for stream debris removal grant for which no expenditures have been incurred.
(6)	Economic Physical Development 100% - NC Southeast contribution has been paid in full.
(7)	Industrial Park 1.2% - maintenance at Cedar Creek Industrial Park has not yet been completed.
(8)	Economic Incentive 4% - economic incentives are budgeted at 100% of agreements but are not paid unless/until the company complies.
(9)	Water and Sewer 0% - Funds budgeted for Overhills W&S have not yet been expended.
(10)	Transfers Out 1% - transfers out typically occur near year-end.
(11)	Refunding of 2009A and 2011B LOBS 100% - refunding of \$23M closed in August 2017. (Correlates with item (6) on report of revenues.)
(12)	Capital Outlay 15.8% - Board of Elections capital equipment and FTCC capital outlay budgeted but not incurred or encumbered makes up the majority of unutilized budget.

Ms. Evans reviewed the background information recorded above and highlighted additional details that will be provided in the monthly reports for percentages that may appear off from year-to-date expectations. Ms. Evans responded to questions about the new format and the report. Consensus was for the November year-to-date report to be provided in the new format.

In response to a question from Commissioner Keefe about Soil Conservation, Ms. Cannon explained a change will be forthcoming to move the grant funds under the Engineering budget as they will manage and monitor the grant.

6. OTHER ITEMS OF BUSINESS

Following a brief discussion, a report on jail health was requested.

There being no further business, the meeting adjourned at 2:20 p.m.