



**CABARRUS COUNTY
BOARD OF COMMISSIONERS**

**RECESSED MEETING
MULTIPURPOSE ROOM
JUNE 26, 2012
5:00 P.M.**

- 1. CALL TO ORDER - CHAIRMAN**

- 2. APPROVAL OF AGENDA - CHAIRMAN**

- 3. COUNTY MANAGER - ADOPTION OF SPECIAL FIRE AND INSURANCE DISTRICTS FUND – FY 12-13 / *Mike Downs, County Manager***

- 4. FINANCE - REQUEST TO APPROPRIATE FUND BALANCE IN SELF-INSURED HOSPITALIZATION FUND / *Erica Nesbitt, Budget & Performance Manager***

- 5. FINANCE - REQUEST TO WAIVE FUND BALANCE TRANSFER TO CAPITAL RESERVE FUND PER BOARD POLICY FOR FY 2012 / *Erica Nesbitt, Budget & Performance Manager***

- 6. FINANCE - PUBLIC SCHOOLS SALARY INCREASE FOR FY 2013 / *Mike Downs, County Manager***

- 7. ADJOURN – CHAIRMAN**

In accordance with ADA regulations, anyone in need of an accommodation to participate in the meeting should notify the ADA coordinator at 704-920-2100 at least forty-eight (48) hours prior to the meeting.



CABARRUS COUNTY

BOARD OF COMMISSIONERS REGULAR MEETING

**JUNE 26, 2012
5:00 P.M.**

AGENDA CATEGORY:

New Business

SUBJECT:

County Manager - Adoption of the FY 2013 Cabarrus County Special Fire Insurance Districts Fund

BRIEF SUMMARY:

The Cabarrus County Manager presented the recommended Cabarrus County Budget for Fiscal Year 2013 to the Board of Commissioners on Monday, May 21, 2012. A copy of the proposed budget has been on file in the office of the Clerk of Board on that same day and was available for public inspection at the Cabarrus County Governmental Center during regular business hours. The 2013 proposed budget was also posted on the County's website at <http://www.cabarruscounty.us/government/Pages/Budget.aspx>. Budget workshop meetings were held in the Multipurpose Room at the Governmental Center, 65 Church Street, SE, Concord on May 22, 24, 29, and 31, 2012 at 4:00 pm. A public hearing on the budget was held and adoption of the Special Fire Tax and Insurance Districts Fund is needed. The other budget ordinances were adopted on 6-18-12.

REQUESTED ACTION:

Motion to adopt the Cabarrus County Budget Ordinance for Special Fire Tax and Insurance Districts Fund for FY 2012-2013.

EXPECTED LENGTH OF PRESENTATION:

1 Minute

SUBMITTED BY:

Mike Downs, County Manager

BUDGET AMENDMENT REQUIRED:

No

COUNTY MANAGER'S RECOMMENDATIONS/COMMENTS:

ATTACHMENTS

[Ordinance](#)

[Summary](#)

Budget Ordinance – Fire Tax & Insurance Districts

CABARRUS COUNTY BUDGET ORDINANCE - SPECIAL FIRE TAX AND INSURANCE DISTRICTS FUND FISCAL YEAR 2012-2013

BE IT ORDAINED by the Board of Commissioners of Cabarrus County, North Carolina:

Section I.

It is the intent of the Special Fire Tax and Insurance Districts Fund to provide necessary funds to local fire departments with district in Cabarrus County for the purpose of providing fire protection in the unincorporated areas of Cabarrus County. The Board of County Commissioners does hereby levy the tax on Real, Personal and Public Service property located in each specific designated fire or service district. Such funds collected by the County Tax Collector are then remitted to each fire department for the purpose of providing fire protection to the specific taxed area.

Section II.

The following amounts are hereby appropriated in the Special Fire Tax and Insurance Districts Fund to provide for the operation of rural fire services for the fiscal year beginning July 1, 2012 and ending June 30, 2013:

<u>Fire Department</u>	<u>Appropriation</u>
Allen	\$ 210,897
Cold Water	152,847
Concord Rural	9,238
Flowe's Store	196,004
Georgeville	205,271
Gold Hill	24,556
Harrisburg Rural	639,870
Jackson Park (City of Concord)	77,202
Kannapolis Rural	60,519
Midland	245,352
Mt. Mitchell	55,092
Mt. Pleasant Rural	230,433
Northeast	74,843
Odell	519,139
Richfield-Misenheimer	8,083
Rimer	116,967
Total Estimated Expenditures From Tax Levy	\$ 2,826,313

Budget Ordinance – Fire Tax & Insurance Districts

Section III.

It is estimated that the following revenues will be available for the various fire districts for the fiscal year beginning July 1, 2012 and ending June 30, 2013:

<u>Fire Department</u>	<u>Revenues from Tax Levy</u>
Allen	\$ 210,897
Cold Water	152,847
Concord Rural	9,238
Flowe's Store	196,004
Georgeville	205,271
Gold Hill	24,556
Harrisburg Rural	639,870
Jackson Park (City of Concord)	77,202
Kannapolis Rural	60,519
Midland	245,352
Mt. Mitchell	55,092
Mt. Pleasant Rural	230,433
Northeast	74,843
Odell	519,139
Richfield-Misenheimer	8,083
Rimer	116,967
Total Revenues From Tax Levy	\$ 2,826,313

Section IV.

The following tax rates are hereby established for the fiscal year beginning July 1, 2012 and ending June 30, 2013 for the purpose of providing fire services within the various fire and service districts in Cabarrus County. The tax rates are based on estimated total valuation of properties as of January 1, 2012. The estimated combined collection rate is 97.20 percent (97.71% for real and personal and 89.65% for vehicles) and is based on the fiscal year ending 2011. In accordance with previous action by the Board of County Commissioners, the County collection fee is set at 1.5%. The taxes will be collected by the Cabarrus County Tax Collector, as provided in G.S. 69-25.4:

<u>Fire Districts</u>	<u>Total Valuation</u>	<u>Rate</u>	<u>Amount Produced</u> (97.20% collection rate)
Allen	478,724,000	0.045	\$ 210,897
Cold Water	315,062,000	0.050	152,847
Concord Rural	23,267,000	0.041	9,238
Flowe's Store	435,082,000	0.046	196,004
Georgeville	229,107,000	0.092	205,271
Gold Hill	42,105,000	0.060	24,556
Harrisburg Rural	590,406,000	0.1115	639,870
Jackson Park	137,801,000	0.058	77,202
Kannapolis Rural	177,686,000	0.035	60,519
Midland	392,261,000	0.064	245,352
Mt. Mitchell	99,813,000	0.057	55,092
Mt. Pleasant Rural	376,124,000	0.063	230,433
Northeast	114,949,000	0.067	74,843
Odell	927,994,000	0.058	519,139
Richfield-Misenheimer	11,909,000	0.070	8,083
Rimer	177,560,000	0.068	116,967

Budget Ordinance – Fire Tax & Insurance Districts

Section V.

The County Manager and/or Finance Director, or designee is hereby authorized to transfer appropriations within or between funds, or modify revenue and expenditure projections as contained herein under the following conditions:

1. The Budget Director may transfer amounts between objects of expenditure within a function.
2. The County Manager may transfer amounts up to \$100,000 between functions of the same fund.
3. The County Manager may not transfer any amounts between funds or from any contingency appropriation within any fund without action of the Board of Commissioners, except as specified below for budgetary shortfalls and change orders.
4. The County Manager may transfer amounts between contingency funds which are set aside for a specific project for budgetary shortfalls or upon the appropriate approval of a change order.
5. The County Manager is authorized to transfer funds from the General Fund or Capital Reserve Fund to the appropriate fund for projects approved within the Capital Improvement Plan for the current fiscal year.
6. Additional authority is granted to the Finance Director or designee to transfer amounts within and between funds for the sole purpose of funding salary and benefits adjustments consistent with the Cabarrus County Personnel Management Policy and the Cabarrus County Personnel Ordinance.
7. Upon notification of funding increases or decreases to existing grants or revenues or the award of grants or revenues, the Manager or Finance Officer may adjust budgets to match, including grants that require a County match for which funds are available.
8. The Manager, Finance Director, or designee may adjust debt financing from estimated projections for actual funds received.
9. The County Manager may enter into and execute change orders or amendments to construction contracts in amounts less than \$90,000 when the appropriate annual budget or capital project ordinance contains sufficient appropriated but unencumbered funds.
10. The County Manager may award and execute contracts which are not required to be bid or which G.S. 143-131 allows to be let on informal bids so long as the annual budget or appropriate capital project ordinance contains sufficient appropriated but unencumbered funds for such purposes.
11. The County Manager may execute contracts with outside agencies to properly document budgeted appropriations to such agencies where G.S. 153 A-248(b), 259, 449 and any similar statutes require such contracts.
12. The County Manager may reject formal bids when deemed appropriate and in the best interest of Cabarrus County pursuant to G.S. 143-129(a).
13. The County Manager may reduce revenue projections consistent with prevailing economic conditions, and also reduce expenditures correspondingly.

Budget Ordinance – Fire Tax & Insurance Districts

Section VI.

Copies of this Budget Ordinance shall be furnished to the Tax Administrator and to each fire department for direction in the carry out of their duties and are available for public inspection.

Adopted this the _____ day of June, 2012.

Elizabeth F. Poole, Chairman

Kay Honeycutt, Clerk to the Board

Value Estimates as of 4/27/2012

Fire Districts		Estimated Value	Current Tax Rate	Revenue at Current rate	Rev Neutral		Tax Revenue	FY 2013 Budget Request	
Jurisdiction	Rate				Increase	Amount		Rate	
FR01	Kannapolis Rural	\$177,686,000	0.035	60,449	0.039	0.0041	67,569	60,519	0.035
FR02	Jackson Park	\$137,801,000	0.050	66,971	0.058	0.0076	77,202	77,202	0.058
FR03	Cold Water	\$315,062,000	0.050	153,120	0.057	0.0067	173,593	152,847	0.050
FR04	Allen	\$478,724,000	0.040	186,128	0.045	0.0052	210,267	210,897	0.045
FR05	Midland	\$392,261,000	0.055	209,703	0.056	0.0010	213,605	245,352	0.064 ¹
FR07	Harrisburg Out	\$590,406,000	0.075	430,406	0.086	0.0105	490,790	639,870	0.1115 ²
FR08	Rimer	\$177,560,000	0.060	103,553	0.068	0.0076	116,681	116,967	0.068
FR09	Mt.Mitchell	\$99,813,000	0.050	48,509	0.057	0.0067	54,967	55,092	0.057
FR11	Odell	\$927,994,000	0.050	451,005	0.058	0.0076	519,139	519,139	0.058
FR13	Georgeville	\$229,107,000	0.060	133,615	0.071	0.0111	158,349	205,271	0.092
FR14	Flowes Store	\$435,082,000	0.040	169,160	0.046	0.0063	195,604	196,004	0.046
FR15	Northeast	\$114,949,000	0.060	67,038	0.067	0.0070	74,843	74,843	0.067
FR16	Mt. Pleasant	\$376,124,000	0.055	201,076	0.063	0.0079	229,841	230,433	0.063
FR17	Gold Hill	\$42,105,000	0.060	24,556	0.071	0.0114	29,237	24,556	0.060
FR18	Richfield	\$11,909,000	0.070	8,103	0.086	0.0161	9,969	8,083	0.070
FR20	Concord Rural	\$23,267,000	0.035	7,915	0.041	0.0058	9,238	9,238	0.041
								2,826,313	

more than revenue neutral
revenue neutral
current tax rate

¹ Rate as adopted by town on June 12, 2012

² As recommended by town administrator - budget adoption June 25th

*updated June 25, 2012



CABARRUS COUNTY

BOARD OF COMMISSIONERS REGULAR MEETING

**JUNE 26, 2012
5:00 P.M.**

AGENDA CATEGORY:

New Business

SUBJECT:

Finance - Request to Appropriate Fund Balance in Self-Insured Hospitalization Fund

BRIEF SUMMARY:

Health insurance claims expenditures have significantly increased over the past several months. It is estimated that the Self-Insured Hospitalization Fund will need to appropriate \$492,459 from its fund balance to cover increases in claims for the current fiscal year.

REQUESTED ACTION:

Motion to adopt budget amendment.

EXPECTED LENGTH OF PRESENTATION:

5 Minutes

SUBMITTED BY:

Erica Nesbitt, Budget & Performance Manager

BUDGET AMENDMENT REQUIRED:

Yes

COUNTY MANAGER'S RECOMMENDATIONS/COMMENTS:

BUDGET AMENDMENT:

6/25/2012

Amount: \$492,459.00

Dept.

Head: Shelley Farris, Acctg. Supervisor

Department

nt: Finance

“ Internal Transfer Within Department” Transfer Between Departments/Funds þ Supplemental Request

Purpose:

This budget amendment is to appropriate Fund Balance for the Self Insured Hospitalization Fund due to the unexpected volume of claims in the last quarter of FY 2012. Additional premiums are being budgeted due to the transfer of the remaining amount of funds left in the General Fund Group Health Insurance line items for the year.

Account Number	Account Name	Approved Budget	Inc Amount	Dec Amount	Revised Budget
61061917-6661	Insurance Premiums	\$7,600,000.00	\$494,389.00		\$8,094,389.00
61061917-6804	Insurance Refunds	\$294.00	\$119,047.00		\$119,341.00
61061917-6901	Fund Bal Approp	\$0.00	\$492,459.00		\$492,459.00
61091917-9360	Medical Supplies	\$45,000.00	\$33,953.00		\$78,953.00
61091917-9401	Building Rent	\$30,000.00		\$6,065.00	\$23,935.00
61091917-9412	Power	\$4,000.00	\$1,430.00		\$5,430.00
61091917-9645	Hospital Claims	\$7,997,210.00	\$1,076,577.00		\$9,073,787.00
					\$0.00
	Total				

ATTACHMENTS

[FY2012 Health Insurance Claims](#)

[Health Insurance Budget](#)

FY 2012 Health Insurance Claims

	Ees	FFS Medical	Pharmacy	Total Claims	Stop-loss	Total Mature	Clm/ee/mth
					Credits	Claims	
11-Jul	970	\$509,658.27	\$132,568.36	\$653,319.41	\$6,625.00	\$646,694.41	\$666.70
11-Aug	968	\$575,147.41	\$105,705.33	\$686,818.40	\$0.00	\$686,818.40	\$709.52
11-Sep	973	\$549,663.52	\$152,573.21	\$718,340.85	\$4,223.00	\$714,117.85	\$733.93
11-Oct	971	\$651,521.00	\$115,555.00	\$778,344.00	\$39,474.20	\$738,869.80	\$760.94
11-Nov	966	\$756,490.00	\$104,853.00	\$872,702.00	\$81,233.00	\$791,469.00	\$819.33
11-Dec	964	\$509,322.00	\$129,728.00	\$650,239.00	\$199,683.00	\$450,556.00	\$467.38
12-Jan	957	\$427,257.00	\$132,246.00	\$570,937.00	\$23,375.00	\$428,514.83	\$447.77
12-Feb	951	\$594,745.00	\$125,732.00	\$732,349.00	\$18,429.00	\$713,654.00	\$750.42
12-Mar	950	\$751,150.00	\$118,569.00	\$880,898.00	\$34,854.00	\$845,935.00	\$890.46
12-Apr	951	\$651,071.00	\$126,401.00	\$789,262.00	\$86,088.00	\$703,174.00	\$739.40
12-May	951	\$927,553.72	\$116,779.50	\$1,056,123.22	\$48,805.00	\$1,007,318.22	\$1,059.22
12-Jun							
	10,572	\$6,903,578.92	\$1,360,710.40	\$8,389,332.88	\$542,789.20	\$7,727,121.51	\$730.90
		Rx/Sub/Mth	\$128.71				

CABARRUS COUNTY
 SELF INSURED HEALTH INSURANCE FUND 610
 BUDGET AMENDMENT FOR FY 2012

	Current Budget	Actual	Estimated	BA	
REVENUES:					
61061917-6661 Insurance Premiums	\$ 7,600,000	\$ 7,126,428	\$ 8,094,389	\$ 494,389	
61061917-6804 Insurance Refunds	294	119,341	119,341	119,047	
61061917-6902 Cont from General Fund	2,000,000		2,000,000	-	
61061917-6240 EERP	96,066	96,067	96,067	-	
61061917-6701 Interest on Investments	10,500	3,485	4,485	-	
Total Revenues	9,706,860	7,345,321	10,314,282	613,436	
EXPENSES:					
61091917-9301 Office Supplies	500	\$ 267	\$ 267	-	
61091917-9331 Minor Off Equip & Furniture	500	339	339	-	
61091917-9360 Medical Supplies	45,000	48,953	78,953	33,953	
61091917-9401 Building Rent	30,000	23,935	23,935	(6,065)	
61091917-9412 Lights & Power	4,000	4,430	5,430	1,430	
61091917-9445 Purchased Services	150	144	154	-	
61091917-9485 Admin Fees	1,140,000	1,045,690	1,139,773	-	
61091917-9570 Service Contracts	484,000	403,645	484,073	-	
61091917-9605 Consultants	5,500	-	-	-	
61091917-9645 Hospital Claims	7,997,210	6,973,787	9,073,787	1,076,577	estimating \$1,050 M in claims for May and June each
Total Expenses	\$ 9,706,860	\$ 8,501,189	\$ 10,806,710	\$ 1,105,895	
Net Difference	\$ -	\$ (1,155,868)	\$ (492,428)	\$ (492,458)	
CF Calc:					
Cash 6/25/12	\$ 2,071,021.71				
Revenues (2M contrib + June Premiums)	\$ 2,968,960.89				
Expenses	\$ (2,205,520.35)				
Ending Cash Estimate	\$ 2,834,462.25				



CABARRUS COUNTY

BOARD OF COMMISSIONERS REGULAR MEETING

**JUNE 26, 2012
5:00 P.M.**

AGENDA CATEGORY:

New Business

SUBJECT:

Finance - Request to Waive Fund Balance Transfer to Capital Reserve Fund per Board Policy for FY 2012

BRIEF SUMMARY:

Upon completion of the County's annual financial audit, any undesignated fund balance above 15 percent is transferred to the capital reserve fund in accordance with the Board's policy. However, a waiver of this policy is requested for FY 2012 based the County's recent history and use of fund balance for recent one-time expenditures and pending decisions on capital investments.

REQUESTED ACTION:

Motion to approve waiver to Board Fund Balance Policy for FY 2012.

EXPECTED LENGTH OF PRESENTATION:

SUBMITTED BY:

Erica Nesbitt, Budget & Performance Manager

BUDGET AMENDMENT REQUIRED:

No

COUNTY MANAGER'S RECOMMENDATIONS/COMMENTS:

ATTACHMENTS

- [Fund Balance Calculation](#)
-

**Fund Balance Appropriations
June 30, 2011**

Undesignated Fund Balance As of June 30, 2011	\$	63,755,334
Budgeted Expenditures (from 5 year plan, FY2012)		203,399,704
Less 15% Fund Balance Policy		30,509,956
Fund Balance Above 15% Policy	\$	33,245,378
Uncompleted FY 11 project assignments		(2,514,100)
Internal Service Fund assignments		(2,000,000)
General Government assignments		(4,015,301)
Education assignments		(7,341,000)
Estimated Landfill funding for closure/postclosure cost		(1,200,000)
Public Safety assignments		(9,887,000)
	\$	6,287,977



**CABARRUS COUNTY
BOARD OF COMMISSIONERS**

**RECESSED MEETING
JUNE 26, 2012
5:00 P.M.**

AGENDA CATEGORY: New Business

SUBJECT: Public Schools Salary Increase for FY 2013

BRIEF SUMMARY:

The FY 2013 state budget includes a 1.2 percent salary increase for state-funded public school employees. County funding for Cabarrus County Schools and Kannapolis City Schools includes salaries for instructional, administrative and support staff.

REQUESTED ACTION:

Discuss impact of state budget on locally funded positions.

EXPECTED LENGTH OF PRESENTATION: 5 Minutes

SUBMITTED BY: Mike Downs, County Manager

BUDGET AMENDMENT REQUIRED: No

COUNTY MANAGER'S RECOMMENDATIONS / COMMENTS:

Kannapolis City Schools 1.2% Salary Increase Impact

	Teachers	Administrators	Support	
1.2% Increase	\$ 7,854.81	\$ 3,167.15	\$ 7,554.78	
Benefits	\$ 1,718.63	\$ 692.34	\$ 1,651.47	
Total	\$ 9,573.44	\$ 3,859.49	\$ 9,206.25	\$ 22,639.18

Response to request for salary information
June 25, 2012

Cabarrus County Schools

1.2% Salary Increase

Local requested information

	<u>2011 - 2012</u>	<u>1.2%</u>
Supplements - certified staff	\$5,824,207	\$69,890
Certified Staff	4,046,912	48,563
Support Staff	9,624,759	115,497
Administrative	3,076,546	36,919
FICA (7.65)		20,721
Retirement (14.23)		38,545
Total	<u><u>\$22,572,424</u></u>	<u><u>\$330,135</u></u>

What impact will a 1.2% increase have on the local teacher supplement?

- 95% of our certified staff will receive an increase of \$30 or less annually
- Supplements are paid in semi annual installments which means they will get approximately \$15 each check (less after taxes).

How much would it cost to support teachers and education in Cabarrus County?

Increase certified supplement by:	additional funding required <small>(includes benefits)</small>	Cumulative
1.2%	85,182	85,182
2%	56,788	141,970
3%	70,985	212,956
4%	70,985	283,941
5%	70,985	354,927

Who receives supplements?

Certified staff		1,955
Principals and Assistant Principals (certified staff)		<u>101</u>
		<u><u>2,056</u></u>
Cabarrus County residents	64%	1,312
non-Cabarrus County residents	36%	<u>744</u>
Certified staff who receive supplements	100%	<u><u>2,056</u></u>

Summary

All local staff 1.2% pay increase	\$330,135
Certified staff <u>to</u> 5% increase for supplements (in addition to 1.2%)	269,774
Total request	\$599,909

Cabarrus County Schools request for a flat per pupil to accommodate growth in the county would fund this most pressing issue. Our administrative staff recognize the urgent need to address salary issues in our system that directly impact instruction and the future of our educational system.

Thank you for your consideration.