

County Commissioners

Julius Owens, *Chairman*
William Eckler, *Vice Chairman*
Susan G. Crowe
Eddie Holland
Roger Richard



Carl Classen, *County Manager*
Hazel S. Haynes, *Clerk to the Board*
Richard Williams, *County Attorney*

Rutherford County

May 7, 2012

Dear Commissioners:

Please find attached the proposed budget for the fiscal year beginning July 1, 2012 and ending June 30, 2013 (FY2012-13). Attached are Budget Issues; Budget Worksheets; and the proposed Budget Ordinance. A Budget Implementing Resolution will be developed as the Commissioners review and work through the FY2012-13 budget materials.

All funds in the FY2012-13 budget are balanced. The only fund balance used from the General Fund is for economic development incentives already agreed upon by the County. No operating expenses or debt service expenses are funded using General Fund balance. This is critical as the County looks to future opportunities. No increase in property tax revenues is forecast beyond that which has occurred due to recent growth (e.g., Facebook).

To the extent practicable, spending is flat. The total General Fund budget is within 0.4% of the FY2011-12 original budget. No new services or positions are added and no lay-offs are proposed.

My thanks are extended to all County department heads who worked diligently on this budget. County employees are focused to bring cost-effective services and excellent customer service to the citizens, property owners and guests of Rutherford County. I wish to particularly thank Finance Officer Paula Roach and Deputy Finance Officer Chris Roberts for their help. Judy Toney, Hazel Haynes, Debra Conner and Brooke Watson are also due great thanks for their yeoman efforts.

In the end, the recommendations contained herein are those of the County Manager. I appreciate the opportunity to serve the Board of Commissioners and the citizens of Rutherford County. I look forward to working with the Board to review these recommendations and adopt a budget ordinance for FY2012-13.

Sincerely,

Carl Classen
County Manager

THE MEMBERS OF THE RUTHERFORD COUNTY BOARD OF COUNTY COMMISSIONERS

The proposed budget for Fiscal Year 2012-2013 is presented for your consideration. This budget is based on a revenue-neutral property tax rate of 60.7 cents per \$100 valuation that yields a budget that is within 0.4% of last year's adopted budget.

This budget message is divided into several sections:

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Budget Issues

Budget Trends:

Since 2006, total County Revenues and Expenditures (for all Governmental Funds) have trended as follows:

Revenue & Expenditure Trends All Governmental Funds			
Year	Total Revenues	Public Safety	Debt Service
FY2006-07	\$60,674,694	\$12,897,402	\$8,007,558
FY2007-08	\$66,826,138	\$14,220,359	\$9,049,081
FY2008-09	\$62,229,139	\$14,868,059	\$9,871,594
FY2009-10	\$60,571,248	\$14,526,559	\$10,647,538
FY2010-11	\$59,903,244	\$14,528,593	\$11,400,697
FY2011-12*	\$69,028,165	\$16,891,613	\$8,606,833

***Amended budget as of March 31, 2012. Increase in revenues for FY2011-12 primarily due to economic development grants for Horsehead Corporation of \$7.55 million, which are included in the Grant Fund.**

Rutherford County has suffered two major economic recessions in the past fifteen years. The first was the loss of the textile industry and the second is the present national banking/housing recession. The County used its fund balance to reduce the year-to-year impact of the current recession, which is similar to actions taken by other local governments.

Appendix A contains 10 year trend data from the County's annual audit and the FY2011-12 Amended Budget as of March 31, 2012.

General Fund Balance:

The County began FY2011-12 with \$12,797,792 in unassigned General Fund balance, of that \$1,657,769 was budgeted in FY2011-12 for operating and capital expenses. Due to unexpectedly strong sales tax revenues (12.45% over budget forecast), use of unassigned fund balance use is only expected to be approximately \$1.2 million so the ending unassigned fund balance on June 30, 2012 is expected to be \$12.8 million.

Each year, the County "carries forward" certain grant and other projects from year-to-year. These items increase the budget but zero out with revenues and expenditures over multiple fiscal years. FY2011-12 carry-forward items will be amended in the FY2012-13 budget after July 1. Examples include Community Development Block Grants, NC Rural Center

Building Reuse Grants, Capital Projects (including Water and Sewer Projects) and other multi-year projects such as Grey Rock Infrastructure.

Again, the FY2012-13 budget proposes to use no General Fund unassigned fund balance for operating expenses or debt service. The only use would be for two economic development commitments previously made by the Board. The first is \$500,000 for the economic development incentive loan to Horsehead, which will be paid back over five fiscal years (payments to begin in FY2012-13). The second use is to set aside a \$500,000 contingent liability required under the Facebook economic incentive. The County Manager is also recommending use of \$43,000 from the Courthouse Facility Fund reserves for improvements in the Courthouse. The proposed FY2012-13 fund balance is estimated to be 28.9% (30% without the Facebook contingent liability).

Revenue-Neutral Tax Rate:

The revenue-neutral tax rate is utilized. This is the property tax rate that will generate the same level of property tax revenue and account for recent growth (e.g., Facebook). The revenue-neutral property tax rate was calculated in accordance with using guidance provided by the UNC School of Government. That rate is \$0.607 per \$100 assessed value. (Appendix A) This yields a FY2012-13 property tax revenue of \$29,929,311, which is within 2.16% of the FY2011-12 estimated actual (\$29,297,052). See next page for chart.

$$\begin{aligned} & \$5,290,444,020 \text{ Valuation} \times \$0.607/\$1,000 \text{ valuation} \times 93.2\% \text{ Collection} \\ & \text{rate} = \$29,929,311 \end{aligned}$$

PLEASE NOTE: Staff will not know the actual revenue-neutral rate until the Board of Equalization & Review completes its work and when all of the exemption applications are completed (May 30). The County Manager will receive an updated revenue-neutral rate from the Tax Office following the close of business on June 5. The Commissioners are not required to adopt the revenue-neutral rate. State law requires the County Manager to provide the calculation to the governing board.

Each penny of property tax revenue is equal to \$493,069.

On the next page is a graphic showing the revenue-neutral impact on a typical home.

2011/2012 Value Comparison



	2011	2012
Land	20,000	20,000
Building	<u>125,000</u>	<u>106,600</u>
Total Value	\$145,000	\$126,600
Tax Rate	<u>x .0053</u>	<u>X .00607</u>
Total Tax	\$768.50	\$768.50

Sales Tax Revenue:

Sales Tax revenues rose 12.45% over the FY2011-12 budget forecast. This growth rate appears unsustainable so little or no increase above the FY2011-12 estimated actual is forecast for FY2012-13.

K-12 Education and Isothermal Community College

Allocations are proposed at the FY2011-12 levels budgeted.

EDUCATION FUNDING

	FY08-09 Approved	FY09-10 Approved	FY10-11 Approved	FY11-12 Approved	FY12-13 Recommended
County Depts. Less Schools/College	36,424,771	33,542,185	32,635,227	32,828,084	33,180,469
Schools	12,146,850	12,146,850	11,995,014	12,271,014	12,271,014
College	1,920,115	1,912,715	1,888,806	1,891,806	1,891,806
Other	11,700,841	9,294,615	3,089,650	2,695,238	1,974,588
Total	62,192,577	56,896,365	49,608,697	49,686,142	49,317,877

Further, the School Capital Reserve portion of the Debt Service Fund is expected to have a negative balance of \$592,638 at the end of FY2011-12. In July, 2011 it had been expected to be negative by approximately \$848,000. As such, the County had budgeted FY2011-12 revenue from the Board of Education of \$425,000 to the Debt Service Fund.

The County must pay the debt service regardless. Debt service is shown as contra accounts in the several sales tax revenue accounts within the General Fund budget. The Sales Tax allocated to the Schools is recorded as revenues in the Debt Service Fund.

Rather than ask the Board of Education to pay the County the previously-agreed upon half share (\$296,319) in FY2011-12 or in future years, the County Manager has asked the School Superintendent to create a FY2011-12 contingency reserve in that amount using the Board of Education's estimated \$2.3 million unassigned reserve. It is expected that, over time, the negative account balance will reduce to zero as sales tax revenues increase. This will fulfill the prior agreement and not negatively impact the Board of Education's funding of education needs.

Lottery proceeds (\$620,000) are estimated to remain flat from FY2011-12 to FY2012-13. All Lottery proceeds shown in the Debt Service Fund are pledged to pay school debt. If Lottery proceeds increase, the sales tax transfer from the General Fund can decrease. If

Lottery proceeds decrease, as has been proposed in recent Legislative sessions, then General Fund transfers to the Debt Service Fund will need to increase.

Vehicle Replacement:

County departments submitted vehicle requests totaling \$831,666 for FY2012-13. In past years, the County Commissioners have been forced to choose between patrol vehicles vs. EMS trucks vs. other equipment without a comprehensive plan knowing what is needed now or later. The Finance Office has developed a Vehicle Replacement Plan that is based upon a business model rather than politics or guess-work.

The Vehicle Replacement Plan puts every vehicle in the County fleet in a single plan and it:

1. Determines when new vehicles are needed;
2. Identifies when vehicles should be changed to other uses (e.g. patrol vehicle to administrative use);
3. Establishes which vehicles should be reconditioned (e.g. remounting an EMS truck to double the life at half the cost); and,
4. Plans when vehicles should be disposed.

After an initial “catch-up” for items (3-4 years), especially ambulances, the amount will taper off to a regular and predictable amount. The cost to start the vehicle replacement plan is \$367,966 in FY2012-13, rises to \$582,225 in FY2013-14; then peaks at \$789,756 in FY2014-15; and then tapers off in subsequent years.

Each fiscal year, this 6-year plan will be updated. To finance the plan each year, a 3 year borrowing will occur. In all cases, vehicles purchased by the County will have a life expectancy in excess of three years.

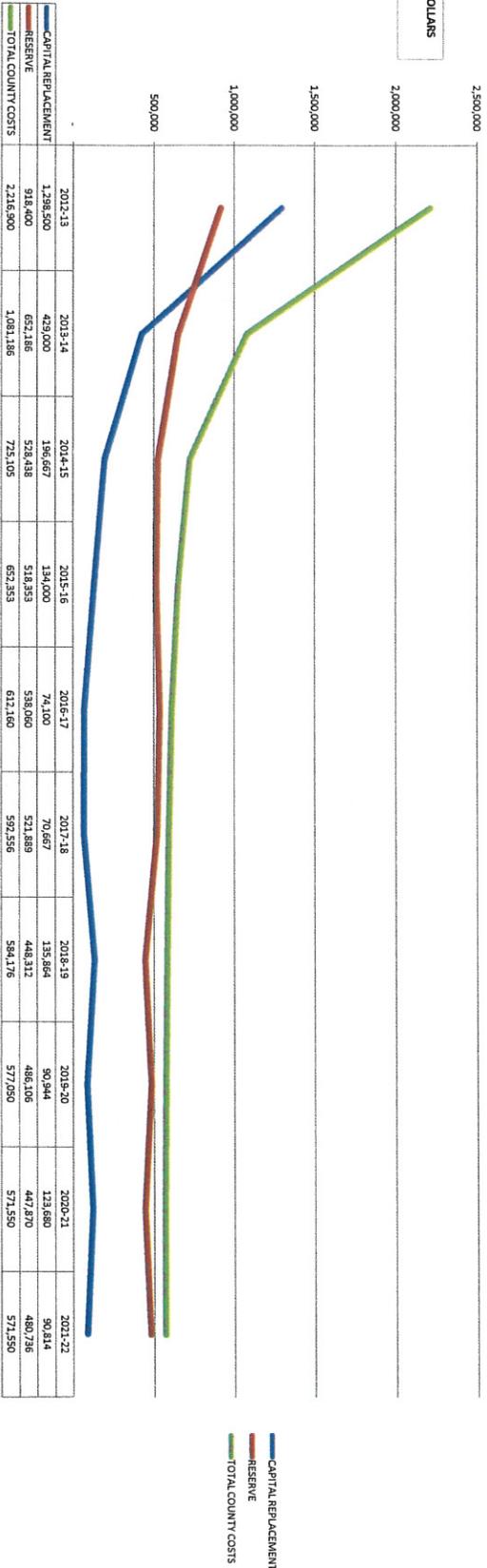
In short, the total annual cost of the Vehicle Replacement Plan business model is **BELOW** the FY2012-13 departmental request in all of the coming years. See charts on next pages.

Disposition of Surplus Property:

In addition to selling excess vehicles as determined under the Vehicle Replacement Plan, the County Manager recommends selling or otherwise disposing of County property at 475 West Main Street, Forest City. This property currently houses a drop-in center through a lease with Peer Support Resources. This lease is to be reviewed by the Board in June 2012 per January 2012 minutes but currently ends August 2012. The County is also investigating selling any property it presently holds through foreclosure and the County Manager will make recommendations after the beginning of the fiscal year. Liens placed on foreclosed properties by homeowners associations for past association dues are an impediment to disposal of some surplus properties. Even if the property can be sold to cover back taxes, the past-due association fees can make the properties far higher than the market value.

GENERAL FUND											
	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	
CAPITAL REPLACEMENT	1,298,500	429,000	196,667	134,000	74,100	70,667	135,864	90,944	123,680	90,814	
RESERVE	918,400	652,186	528,438	518,353	538,060	521,889	448,312	486,106	447,870	480,736	
TOTAL COUNTY COSTS	2,216,900	1,081,186	725,105	652,353	612,160	592,556	584,176	577,050	571,550	571,550	

GENERAL FUND VEHICLE/EQUIPMENT REPLACEMENT - SELF FUNDED OPTION

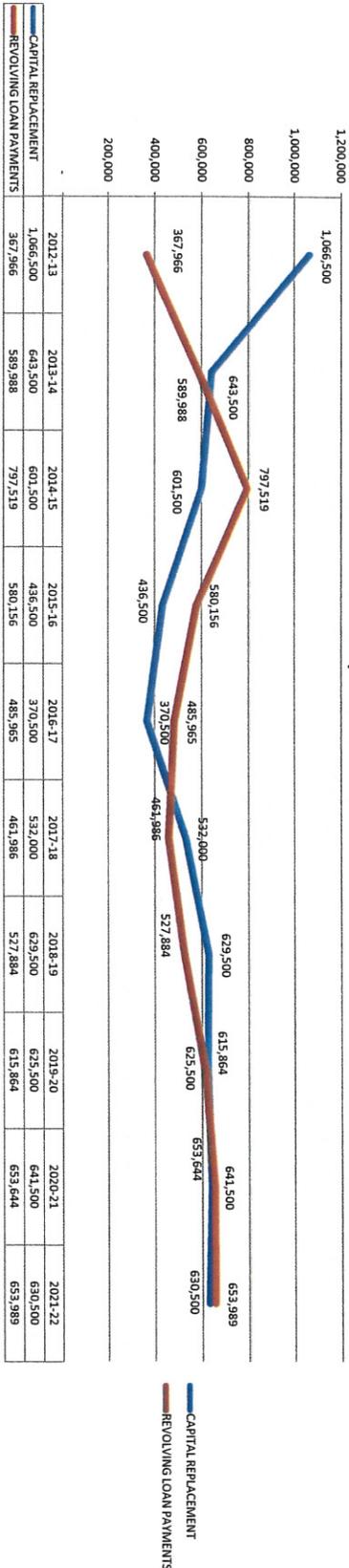


Referring to the graph above, FY 2012-13 shows a considerable amount necessary in both capital replacement (Blue Line) and capital reserve (Red Line) needs, along with the total costs (Green Line) that the County would incur if the self-funded option is used. This reflects a catch-up in vehicles due from the capital purchasing trend from the County over the last two years in dealing with the economic recession from FY's 2009-2011. The following FY 2013-14 shows a 65% decrease in necessary capital replacement funding and a 30% decrease in capital reserve funding, followed by an additional 55% drop in capital replacement and a 20% drop in capital reserve funding in FY 2014-15. Throughout the rest of the trend, the plan projects a stable amount of capital reserve funding and capital replacement funding through FY 2021-22. In keeping with this projection, the County should have adequate capital reserves to rely upon for future replacement of vehicles/equipment that will be needed. This plan also provides financial leverage for the County if vehicle / equipment replacement trends change, or

		2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
CAPITAL REPLACEMENT		1,066,500	643,500	601,500	436,500	370,500	532,000	629,500	625,500	641,500	630,500
REVOLVING LOAN PAYMENTS		367,966	589,988	797,519	580,156	485,965	461,986	527,884	615,864	653,644	653,989

GENERAL FUND

General Fund Vehicle Replacement Schedule - REVOLVING LOAN PLAN



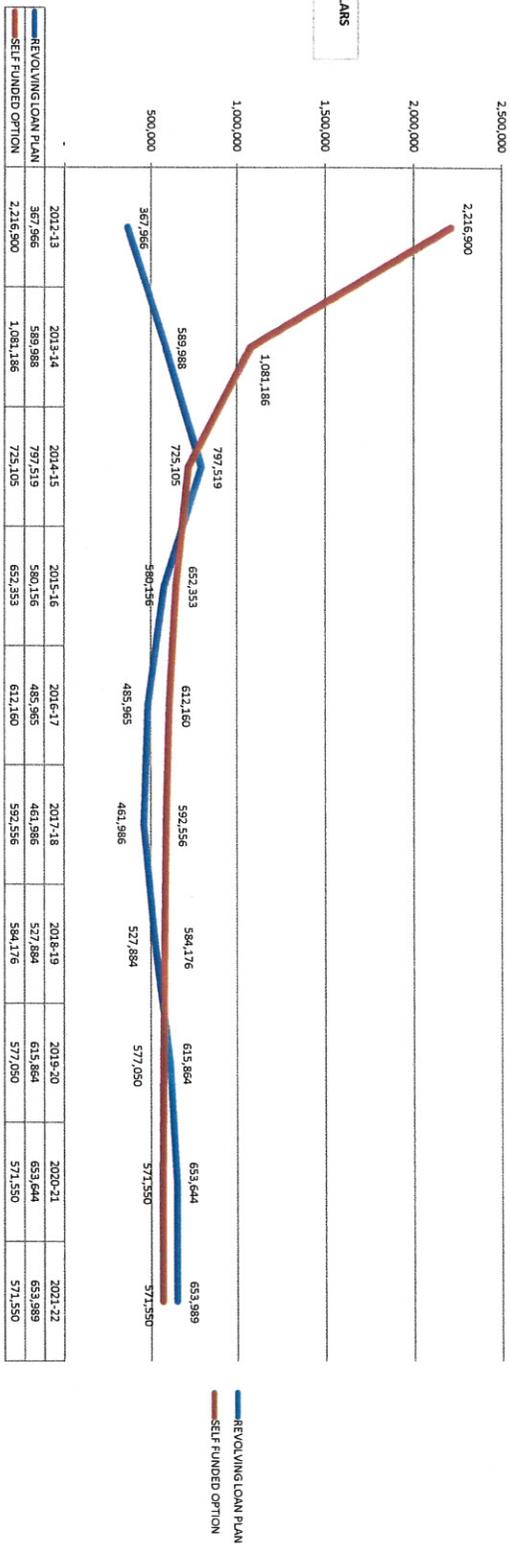
The graph above depicts the annual expected costs to replace all vehicles/equipment (Blue Line) within the General Fund and also the annual revolving loan payment (Red Line) necessary to fund the capital assets. The original department requests in FY 2012-13 is approximately \$831,666; however, based on the vehicle replacement model plan, the department needs are showing higher amounts based on mileage and maintenance cost factors in the current fleet. The annual revolving loan payment model is less every year than the original department request of \$831,666 from FY 2012-13. The revolving loan trend peaks in FY 2014-15 and then levels off to follow the capital replacement needs.

	VEHICLE TYPE CYCLE IN/OUT PER YEAR											
	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	TOTAL	
CARS	11	6	10	8	10	10	15	3	9	7	85	
TRUCKS	3	1	-	-	1	1	1	-	1	1	8	
VANS	2	1	-	-	-	-	-	-	-	-	3	
SUVS	4	4	4	1	2	2	2	2	5	1	3	
TOTAL	20	12	14	9	13	18	18	5	15	9	26	

For the General Fund vehicle/equipment replacement plan, the following chart represents the number of vehicles that will both cycle in/out per fiscal year according to the current plan. Due to the economic recession during FYs 2009-2011, the County did not purchase the normal trend of vehicles as in prior fiscal years. During the FY 2012-13 fiscal year, the County would have to purchase 17 total vehicles (non-ambulance) to put the County back on track as far as having a dependable vehicle fleet that provide services for its citizens. On average for the first 5 years, the County would purchase 14 vehicles per year and then decrease starting in year 6 (FY 2017-18) to an average of 11 vehicles per year.

		GENERAL FUND												TOTAL	
		2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22				
REVOLVING LOAN PLAN		367,966	589,988	797,519	580,156	485,965	461,986	527,884	615,864	653,644	653,989	5,734,961			
SELF FUNDED OPTION		2,216,900	1,081,186	725,105	652,353	612,160	592,556	584,176	577,050	571,550	571,550	8,184,586			

10 YR COUNTY COST ANALYSIS - SELF-FUNDED VS REVOLVING LOAN PLAN



Referring to the graph above, the self-funded option (Red Line) would require a major County Investment (\$3,298,086) over the first two fiscal years (2012-13 & 2013-14) to both "catch-up" on the vehicle needs and to establish the reserves necessary for future years. The initial investment from the Revolving Loan Plan (Blue Line) for the first two fiscal years (\$957,954) shows a 71% decrease in initial investment from the County. The 10 yr spread on the self-funded option versus the revolving plan shows a \$2.45 million more County investment. Overall, the two options over time show an immaterial difference in costs. But the success of the self-funded option relies heavily on the County's investment in reserve funding in order to accomplish the level cost over the 10 year period.

Tax Collection:

Tax Collections remain a problem due to foreclosures brought about by the Banking/Housing Recession. By State law [GS 149-113(b)(6)] the County may only budget property tax revenues based upon the prior fiscal tax collection. Hence, even though the FY2012-13 levy is \$32.1 million, the FY2010-11 tax collection rate of 93.2% must be used for budget purposes. Hence, the property tax revenues are only budgeted at \$29,929,311.

According to the Tax Collector, the County "...cannot take enforced collection action against the bankruptcy estate. Queens Gap and Riverbend/Vista are not currently in bankruptcy, but have similar collection issues since they are also resort properties."

Accounts Receivable on 2-27-12.	\$4,083,905.52	
Queens Gap (all owners) owes	\$146,000.43	3.58% of the current outstanding
Grey Rock (all owners) owes	\$636,780.70	15.59% of the current outstanding
Vista (only) owes	\$32,937.88	.01% of the current outstanding

Together, these tax receivables amount to \$815,719 and are 19.97% of the current receivables and 2.02% of the overall levy.

GARNISHMENTS: The County is charged \$12.00 in postage fees for each garnishment issued and 10% of garnishment fees collected can be used to offset this cost. 2,000 additional garnishments are expected to be issued with the additional postage funding but the amount should be fully reimbursed as collection occurs.

TAX COLLECTION CHANGES: The following items are proposed to be included during adoption of budget documents (ordinances; resolutions) but are not presently included in the proposed FY2012-13 budget as they are not current County policy.

- GS 161-31 Tax Certification. Based on test data (August 2011 transfers) an additional \$68,000 could be collected more timely if the Commissioners required tax certification before a deed could be recorded. This would be particularly helpful when heir property is transferred. This process will require a position to complete the certification research in a timely fashion. Estimated cost is \$25,000 + benefits.
 - Extra Cost: \$ 30,000
 - Extra Revenue: \$ 68,000
 - Net Proceeds: \$ 38,000

- In 2011, County Commissioners increased the minimum tax bill from \$1.00 to \$3.00. It is estimated the County will write off 5,010 motor vehicle tax bills of less than \$3.00 (\$8,016). It costs approximately \$0.435 to create and mail a tax bill (\$2,179 for these bills). An additional \$5,837 in revenue could be realized if the minimum bill was returned to \$1. These estimates are for motor vehicle billing only and do not reflect any revenue that could be realized on personal or real property.

- Extra Cost: \$ 2,179
- Extra Revenue: \$ 5,837
- Net Proceeds: \$ 3,658

- In 2011, fees charged for issuing garnishments increased from \$15 per service to \$30. This caused the individual garnishment to result in a increased charge to some taxpayers from \$30 to \$60. County Commissioners adopted a policy wherein the Tax Collector stopped issuing garnishments on motor vehicles whose plates had not expired. It is estimated this has resulted in a loss of revenue of \$25,800 in fees and caused a possible 9 month delay in those collections. This practice can also result in the taxpayer paying two \$60 fees. If a taxpayer is garnished for a property and the motor vehicle has not been paid but has expired when the first garnishment pays out, then a second garnishment and fee would be issued.

- Extra Cost: \$ 0
- Extra Revenue: \$ 25,800
- Net Proceeds: \$ 25,800

- If the County eliminates the 0.5% discount, gross revenues will increase \$66,021. Mortgage companies almost always pay early when a discount is offered. In talks with the largest escrow tax payer, they would most likely still pay in August. If all taxpayers now receiving a discount delay their payments, there will be foregone interest on the funds collected for four months.

- Extra Cost: \$ 110 (foregone interest earnings at 0.5% annual interest)
- Extra Revenue: \$66,021
- Net Proceeds: \$65,911

Emergency Medical Service (EMS) Revenues:

EMS revenues have been reduced \$216,000 in FY2012-13 due to loss of the ALS transports, which are now being provided by a franchisee (TransMed) approved in summer 2011.

Members of the Board of Commissioners have spoken to the County Manager about an EMS station in the southeastern region of the County. There is an average of five calls daily in the region and the County houses an ambulance part time in the Cliffside area. This ambulance both responds to calls in southeastern region and handles calls when the ambulances at other stations are busy handling other calls. Below are three additional options for providing service to southeastern Rutherford County:

- TransMed has estimated \$300,000 to provide paramedic level EMS service in the southeastern region of the County. An alternative to a subsidy would be to amend the current one-year franchise when it comes up for renewal to require the franchisee to be stationed in the southeastern region and to provide paramedic level EMS service in that area.
- The County can provide the service for an additional \$211,352 over the existing cost of the part time vehicle already stationed in the southeastern region. This amount includes an additional vehicle reserve amount of \$104,000 annually, plus the rent on the current station. If the County built a station in the southeastern region, the additional debt service would need to be added to the cost. All totaled, the cost of this option would likely be equal to approximately 1 cent of property taxes.
- If the existing one year franchise with TransMed is not renewed and the County performs all transports (BLS/convalescent and ALS), then the station could be located in the southeastern region at no net cost to the County, even after vehicle replacement reserves of \$104,000 annually and \$70,000 for building debt service.

If the Commissioners want to pursue one of these options at this time, staff would need to conduct further study and make a detailed recommendation to the Board.

Heritage and Cultural Development.

The County Manager recommends transferring the Arts, Parks, Recreation, Cultural and Heritage Planner position to the Rutherford County Tourism Development Authority (TDA) since much of the work of the planner/project developer relates to quality of life and tourism development issues. The proposal transfers the position and provides a grant of \$57,184 for the personnel costs (salary, benefits, and payroll taxes). Incidental costs (currently budgeted at \$10,930) would become the responsibility of the TDA. The County would continue to work closely with the TDA on cultural, historical and tourism development grants and projects. This recommendation has been discussed with the TDA Director but has not been approved by the TDA Board.

Unemployment Benefits:

The cost of unemployment benefits has risen sharply because the state and federal government have increased the amount of time and the amount of money that a person can draw. Beginning in June 2008, the number of weeks that a person could draw unemployment increased from 13 to a potential of 99 weeks. In 2009 an increase of \$25.00 per week for each week of unemployment was passed. These two factors are the primary reason for the cost increase. Regulations are in place that began decreasing the number of weeks unemployment is paid as of April, 2012.

Year	Amount Budgeted	Amount Paid
2010-2011	\$27,363.93	\$27,363.93
2011-2012	\$144,865.13	\$144,865.13
2012-2013	\$121,064.00	Billed in December

Salary Adjustment:

County employees have not had any form of pay adjustment since FY2008-09 and do not have the ability to move up steps through alternative means. The budget includes a 2% salary adjustment for all employees commencing with the seventh pay period, which occurs in late December. The total cost is \$179,576 (includes General Fund, DSS, E911, Transit and Solid Waste).

RETIREMENTS: Several retirements/reclassifications are planned in FY2012-13 and the payouts for accrued vacations are \$62,180. This amount is included as a line item under the Human Resources Department. Departments requested \$704,297 in reclassifications and reinstatements but only 13 reclassifications and reinstatements are being recommended at a cost of \$83,435.

BENEFIT CHANGES: No benefit changes are recommended for the FY2012-13 budget and the budget continues the split level health coverage offered through the State Health Plan. The County will pay for employee-only coverage at the 70% rate and employees may elect coverage at the 80% rate. Employee health insurance premiums increased an average of 5.3%. The total increase in costs for the Health Insurance for General Fund employees is \$78,671. The total cost for other funds is \$1,232 for a total increase of \$79,903. This is being substantially offset by a decrease in the Local Government Retirement System required County contribution of \$61,929 and the decrease in the dental insurance of \$3,128 for a total of \$ 65,057.

Library/IT:

To be consistent across all departments the Library Information Technology position is being transferred back to the IT Department. The position will continue to be housed at the Library in Spindale, but may be assigned additional IT duties.

9-1-1 Fund:

Total revenues and expenditures are \$432,654, all of which is funded through the 9-1-1 surcharge and within the guidelines established by the State. The County continues to work towards improved countywide radio transmission and reception with eventual integration into the statewide VIPER system.

STATE LAW: 9-1-1 work is severely hindered by existing law that restricts use of 9-1-1 funds only to handling phone calls and not allowing expenditures for receiving equipment such as radios and towers. In effect, 9-1-1 fees pay for a call into the 9-1-1 center but not the call for the cost to send help. It is estimated that the County will have \$276,791 in 9-1-1 fund reserves as of June 30, 2012 that it would like to use towards telecommunication improvements but cannot due to this restrictive law.

Water and Sewer Capital Funds:

All of the Water & Sewer Capital Funds are allocated to pay debt service on existing water and sewer bonds. No additional capital funds are planned.

Grant Fund

The recommended FY2012-2013 grant fund is comprised of the following continuing grants:

- Airport Improvements
- High School Resource Officer
- CDBG Housing Rehabilitation
- Urgent Repair Program Grant
- Rural Center Building Reuse Grant
- One NC Fund Grant
- Bulletproof Vests Grants
- ARRA Methane Gas Landfill Project
- Single Family Rehabilitation Grant
- Family Based Substance Abuse Treatment Grant
- UNC-TV Bechtler Project

REVENUES

Edward Byrne JAG Grant	\$ 10,892
Rutherford County School Board	\$164,280
Airport Grants	\$150,000
County Airport Match	<u>\$ 16,667</u>
Total Revenues	\$341,839

EXPENSES

Edward Byrne JAG Grant	\$ 10,892
High School Resource Officers	\$164,280
Airport Projects	<u>\$166,667</u>
Total Expenses	\$341,839

If the Board approves, carry over balances from FY2011-2012 grants will be re-budgeted with June 30, 2012 unexpended balances.

Transit Fund

The Transit Advisory Board has submitted the following budget:

REVENUES

Elderly & Handicap Funds	\$ 75,043
RGP Receipts from riders	\$ 15,000
State Grant RGP	\$ 70,455
State Administration Grant	\$ 166,997
State Grant Vehicle Purchase	\$ 25,875
Sale of Property	\$ 9,000
Contribution from Outside Agencies	<u>\$ 636,458</u>
Total Revenues	\$ 1,011,450

EXPENSES

Salaries/Fringe	\$ 662,421
Operations (other than below)	\$ 80,337
Capital Outlay	\$ 43,507
Fuel	\$ 179,500
Insurance	\$ 30,185
Five Year Plan	\$ 7,500
General Fund Indirect Costs	<u>\$ 8,000</u>
Total Expenses	\$1,011,450

There are no county funds budgeted for Transit. The fund generates revenues from its users and from grants made by the state and federal governments. Demand for services has increased and is expected to continue as the demand

for Medicaid transportation increases. The recommended budget does not include a rate increase.

Solid Waste

It is recommended that a portion of the Solid Waste Disposal Tax Revenues be used to continue to fund the costs of a SWEEP part-time position (\$13,000) to assist with recycling efforts in the schools. A goal of the Recycling Specialist is to reduce the waste going to the landfill through recycling and education efforts. SWEEP has requested that this position become a full time County employee at a cost of \$37,000. The Board may wish to consider this request during the budget process.

A recap of Revenues and Expenses for the Solid Waste Fund are as follows:

REVENUES	
Household User Fees	\$1,971,000
Tipping Fees	\$1,823,580
Recycling Revenues	\$ 250,000
NC DENR (\$2 ton) Fees	\$ 73,000
Tire Disposal	\$ 82,000
White Goods	\$ 27,000
Interest Earnings	\$ 9,570
License Fees	\$ 900
Solid Waste Disposal Tax	<u>\$ 38,000</u>
Total Revenues	\$4,275,050

EXPENSES	
<u>Collections</u>	
Salaries/Fringe	\$ 738,415
Fuel	\$ 70,000
Operations	\$ 283,544
General Fund Indirect Costs	\$ 88,877
Transfer to Vehicle/Equipment	<u>\$ 64,000</u>
Total Collections	\$1,181,836

<u>Disposal</u>	
Salaries/Fringe	\$ 431,033
Recycling Specialist Contribution	\$ 13,000
Waste Disposal Contract	\$ 1,555,000
NC DENR Fees (\$2 ton)	\$ 100,500
General Fund Indirect Costs	\$ 113,119
Operations	\$ 564,962
Debt Service	\$ 24,600
Capital Outlay C&D Expansion	\$ 5,000

Transfer to Vehicle/Equipment	\$ 240,000
Total Disposal	\$ 3,047,214
Reserve for Future Years	\$ 46,000
Total Expenses	\$ 4,275,050

Special Districts

It is not possible to provide special districts' requests at this time. We have asked the special districts be completed on or before May 7, 2012. This will be provided as soon as they are available.

Summary of Recommended Budgets for all Funds:

	Revenues	Expenditures
General Fund	\$40,994,856	40,994,856
DSS Fund	\$12,203,579	12,203,579
Vehicle/Equipment Replacement	\$ 1,784,466	1,784,466
ROD Automation Enhancement	\$ 45,020	45,020
E911 Addressing Fund	\$ 432,654	432,654
Grant Fund	\$ 341,839	341,839
ICC Capital Reserve Fund	\$ 162,214	162,214
Debt Service Fund	\$ 6,887,452	6,887,452
Transit Fund	\$ 1,011,450	1,011,450
Solid Waste Fund	\$ 4,275,050	4,275,050
GRAND TOTAL ALL FUNDS	\$68,138,580	

Copies of the recommended budget will be available in the Clerk to the Board's Office and the County Library for public review. Individuals desiring a personal copy may download a copy from the County Website, ([www. Rutherfordcountync.gov](http://www.Rutherfordcountync.gov))