



CAPE FEAR COUNCIL OF GOVERNMENTS

PROPOSED
FISCAL YEAR 2021-2022
BUDGET



DRAFT

5/6/2021

BUDGET MESSAGE

I am pleased to present the proposed FY 2021-2022 budget for the Cape Fear Council of Governments. As required by North Carolina law, the budget is balanced with projected revenues equal to appropriated expenditures. The budget anticipates a general fund balance equal to 19% of annual operating expenditures, substantially more than the 8% minimum recommended by the Local Government Commission. The Council is in sound fiscal shape with adequate reserves.

Each program director worked with the Finance Director to develop their respective program budgets. This proposed budget document is the result of careful consideration by our staff based on best estimates of program revenues and appropriate expenditures to continue our operations. Overall, the budget reflects conservative revenue projections where final funding allocations are outstanding. Like our member governments, we develop our budget with a view towards providing the highest level of service at the least cost to the taxpayers.

The total proposed appropriation for FY 21-22 is \$13,991,395, representing a \$1.5 million (12%) increase over the \$12,482,955 appropriation proposed for the prior fiscal year. This increase is primarily due to high Workforce Development carryforward funds and special pandemic-related program funding, much of which will be carried forward from the current fiscal year and have been incorporated into the current budget since initial adoption. Specific changes related to each program are summarized as follows:

Local Government Services (LGS) +7%..... +\$38,619
Increase is due to projected growth in fee-for-service technical assistance contracts and grant use.

Area Agency on Aging (AAA) +8%..... +\$387,375
Increase is due to higher formula-based funding allocations for block grant programs due to the growing number of persons 60 years old or older in our region. Non-block grant programs are projected to continue at similar levels to the prior year. Additional American Recovery Plan (ARP) Act funds will be addressed through a budget amendment once allocations are finalized.

Workforce Development (WD) +13%..... +\$864,245
Increase is due to higher-than-projected carryforward amounts from unspent Program Year (PY) 2020 funding. Note that Workforce Innovation and Opportunity Act (WIOA) funds are allocated annually but with two-year spending eligibility. Final state subaward amounts are often delayed until closer to the start of the federal fiscal year in October and will be addressed through a budget amendment once allocations are finalized.

Homeless Continuum of Care (CoC) +77%..... +\$203,501
Increase is due to a second round of CARES Act funding, additional in local funding, increased utilization of HUD planning grant funds, restoration of ESG pass-through funding for partner agencies to prior levels, and appropriation of some fund balance restricted for CoC program use. Note that some CoC funds are allocated based on a calendar year rather than our fiscal year and will be addressed through a budget amendment once awards are finalized.

General Administration +56%..... +\$15,000
Increase is due to proposed one-time professional services expenditures for human resources needs.

CFCOG Total..... +12%...+\$1,508,740

BUDGET MESSAGE

Administrative Overhead (Indirect Costs) +0%..... +\$2,045
Increase is due to personnel re-allocations related to increased administrative priorities, but program direct charges are reduced accordingly.

Overhead costs are included in the LGS, AAA, WFD and CoC budgets as allocated costs. This allocation method is based on cost accounting principles and is reviewed annually by program funding sources, monitors, and auditors. The method allocates expenditures and shared expenses that cannot be directly applied to specific programs.

Personnel (Salaries and Fringe Benefits)

The total of all salaries and fringes is approximately 15% of the total CFCOG budget. A 1.5% cost-of-living salary adjustment for all personnel is included in the proposed budget. In addition, a merit pool for superior performance and longevity pay are proposed pursuant to the Personnel Policy. Any pay adjustments that may occur will follow the October funding finalization if funds permit. Pay classifications are assigned separately by the adopted Position Classification and Pay Plan. A Position Classification and Pay Study is proposed in the budget.

Revenues

The Council is funded primarily through federal and State grants. Federal funds are awarded both directly from federal agencies and indirectly as subawards through State agencies. Variations in grant cycles and funding notice timelines means final funding levels are often not known until October. Certain funding allocations expire annually, and some allow unspent balances to carryforward to subsequent fiscal years. Federal and state funding levels are projected based on a combination of final funding notices supplied by granting agencies and estimates based on prior year funding levels (conservatively estimated until final funding notices are provided).

Federal funds in the proposed budget are awarded directly by the US Department of Housing and Urban Development (HUD); Department of Commerce, Economic Development Agency (EDA); and Department of Defense. State funds and federal subawards in the proposed budget are awarded by the NC Department of Commerce; Department of Health and Human Services; Department of Transportation; and Department of Insurance.

Local funds in the proposed budget are obtained from dues and grant matching funds from member governments and from fee-for-service contracts. Dues are calculated using a base assessment of \$300 plus eighteen cents per capita for municipalities or nine cents per capita (unincorporated) for counties. Local matching funds are assessed to members to meet federal matching requirements for the Area Agency on Aging and the Rural Transportation Planning Organization.

Local funds from fee-for-service contracts include recurring funding commitments to support administrative operations of the Homeless Continuum of Care and non-recurring contracts to provide single-purpose services to member governments. Non-recurring contracts in the proposed budget include outside-agency funding from New Hanover County to support the Homeless Coordinated Entry program and technical assistance contracts for services provided by our Local Government Services staff for a wide variety of services. LGS services to member jurisdictions include major deliverables like land use plans, development ordinance revisions, and utility asset management plans, as well as technical services like facilitation, mapping and land use administration.

BUDGET MESSAGE

Revenues represented in this budget include a significant amount of pass-through funds paid to county aging services providers and homeless prevention agencies, as well as significant funding paid for contracted services, primarily for Workforce Development activities.

Summary

This budget reflects a lot of fine tuning to absorb increasing operating costs and expanding program demands as well as local, State and federal funding changes. We rely heavily on state and federal grants, but also depend upon the continued financial support of our member governments. We hope to continue the positive trends into the future and will always seek new opportunities to better serve our region and local government members.

As you review the document, please feel free to ask any questions and seek additional information about any part of the budget at any time. We are committed to serving our region together to **SEEK REGIONAL SOLUTIONS** so that each member will realize the local benefits of regional cooperation.

Respectively submitted,



Allen Serkin
Executive Director

COMPARATIVE BUDGET ANALYSIS

	FY 20-21 Budget	FY 21-22 Ordinance	Change	
			\$	%
Local Government Services				
Revenues:				
NCDOT	\$257,175	\$204,375		
Service Contracts	150,000	200,704		
Direct Federal Grants	105,000	100,280		
Dues/Match/Other	34,583	80,018		
Department Revenue	546,758	585,377		
Expenditures:				
Local Government Services	157,789	249,128		
Transportation Planning	283,969	235,969		
Disaster Recovery	65,000	70,280		
MOTSU JLUS Implementation	40,000	30,000		
Department Expenditure	546,758	585,377	38,619	7%
Area Agency on Aging				
Revenues:				
State/Federal Funds	4,671,772	5,076,819		
Local Match	78,049	60,377		
Department Revenue	4,749,821	5,137,196		
Expenditures:				
Planning & Administration	353,712	374,904		
LTC Ombudsman Program	211,045	210,972		
Family Caregiver Support Program	170,294	140,113		
Project CARE	109,000	109,000		
Provider Contracts	3,905,770	4,302,207		
Department Expenditure	4,749,821	5,137,196	387,375	8%
Workforce Development				
Revenues:				
WIOA Funds	6,894,293	7,758,538		
Department Revenue	6,894,293	7,758,538		
Expenditures:				
Administration	485,701	676,714		
Adult Program	1,803,376	2,529,762		
Dislocated Worker Program	1,359,299	1,566,920		
Youth Program	2,005,231	2,700,142		
Other	1,240,686	285,000		
Department Expenditure	6,894,293	7,758,538	864,245	13%
Homeless COC				
Revenues:				
Local	109,300	115,300		
HUD-HMIS	122,492	264,458		
HUD-Planning	22,677	63,965		
ESG Administration	10,314	12,316		
CoC Fund Balance	-	12,245		
Department Revenue	264,783	468,284		

COMPARATIVE BUDGET ANALYSIS

	FY 20-21 Budget	FY 21-22 Ordinance	Change	
			\$	%
Expenditures:				
CoC Administration	109,300	97,545		
Coordinated Entry	-	30,000		
ESG-HMIS	122,492	264,458		
Planning	22,677	63,965		
ESG Administration	10,614	12,316		
Department Expenditure	265,083	468,284	203,201	77%
General Government				
Revenues:				
Miscellaneous & Dues	27,000	42,000		
Department Revenue	27,000	42,000		
Expenditures:	27,000	42,000		
Department Expenditure	27,000	42,000	15,000	56%
Total Revenues	\$12,482,655	\$13,991,395		
Total Expenditures	\$12,482,955	\$13,991,395	\$1,508,440	12%
Administrative Overhead from Programs	\$444,665	\$446,710	\$2,045	0%

MEMBER ASSESSMENTS

	County/ Municipality	Pop. July '18	Pop. July '19	Pop. Change	Dues/Match 21-22	Dues/Match 20-21	Change
1	Brunswick County	69,956	71,882	1,926	\$36,334	35,812	\$522
2	Bald Head Island	182	187	5	334	333	1
3	Belville	2,274	2,340	66	721	709	12
4	Boiling Spring Lakes	6,928	7,200	272	1,596	1,547	49
5	Bolivia	163	173	10	331	329	2
6	Calabash	2,031	2,085	54	675	666	9
7	Carolina Shores	3,826	3,992	166	1,019	989	30
8	Caswell Beach	462	475	13	386	383	3
9	Holden Beach	651	675	24	422	417	5
10	Leland	20,297	22,610	2,313	4,370	3,953	417
11	Navassa	2,001	2,131	130	684	660	24
12	Northwest	857	879	22	458	454	4
13	Oak Island	7,836	8,089	253	1,756	1,710	46
14	Ocean Isle Beach	661	687	26	424	419	5
15	Sandy Creek	304	315	11	357	355	2
16	Shallotte	4,827	4,979	152	1,196	1,169	27
17	Southport	3,515	3,635	120	954	933	21
18	St. James	5,353	5,677	324	1,322	1,264	58
19	Sunset Beach	4,323	4,481	158	1,107	1,078	29
20	Varnamtown	656	677	21	422	418	4
	Brunswick Total	137,103	143,169	6,066	54,868	53,598	1,270
21	Columbus County	40,229	40,221	(8)	24,367	24,488	(121)
22	Boardman	152	151	(1)	327	327	-
23	Bolton	684	570	(114)	403	423	(20)
24	Brunswick	1,082	1,098	16	498	495	3
25	Cerro Gordo	196	193	(3)	335	335	-
26	Chadbourn	1,763	1,751	(12)	615	617	(2)
27	Fair Bluff	913	907	(6)	463	464	(1)
28	Lake Waccamaw	1,452	1,451	(1)	561	561	-
29	Sandyfield	471	474	3	385	385	-
30	Tabor City	4,292	4,268	(24)	1,068	1,073	(5)
31	Whiteville	5,190	5,163	(27)	1,229	1,234	(5)
	Columbus Total	56,424	56,247	(177)	30,251	30,402	(151)
32	New Hanover County	99,436	99,271	(165)	37,821	38,176	(355)
33	Carolina Beach	6,142	6,152	10	1,407	1,406	1
34	Kure Beach	2,255	2,261	6	707	706	1
35	Wilmington	121,910	122,891	981	22,420	22,244	176
36	Wrightsville Beach	2,505	2,487	(18)	748	751	(3)
	New Hanover Total	232,248	233,062	814	63,103	63,283	(180)
37	Pender County	54,777	55,723	946	30,226	30,030	196
38	Atkinson	351	357	6	364	363	1
39	Burgaw	4,091	4,087	(4)	1,036	1,036	-
40	St. Helena	432	434	2	378	378	-
41	Surf City	1,874	1,902	28	642	637	5
42	Topsail Beach	414	418	4	375	375	-
43	Wallace	-	-	-	-	-	-
44	Watha	229	232	3	342	341	1
	Pender Total	62,168	63,153	985	33,363	33,160	203
45	Holly Ridge	1,825	1,980	155	656	629	27
46	N. Topsail Beach	781	796	15	443	441	2
47	Wallace	4,025	3,963	(62)	1,013	1,025	(12)
	Affiliate Members	6,631	6,739	108	2,112	2,095	17
	GRAND TOTAL	494,574	502,370	7,796	\$183,697	182,538	\$1,159

**CAPE FEAR COUNCIL OF GOVERNMENTS
FISCAL YEAR 2021-2022 BUDGET ORDINANCE**

WHEREAS, the Cape Fear Council of Governments (Council) is a regional council of governments organized pursuant to N.C.G.S. 160A-470 through 478 and designated by the State of North Carolina as the Lead Regional Organization for Region O, serving Brunswick, Columbus, New Hanover, and Pender counties;

WHEREAS, the Executive Committee is the governing board of the Council;

WHEREAS, a regional council of governments is a public authority subject to N.C.G.S. 159, Article 3, the Local Government Budget and Fiscal Control Act, requiring that the Council operate under an annual balanced budget ordinance, that the budget and budget message be presented to the governing board not later than June 1, and that a public hearing be held prior to adoption; and

WHEREAS, the Executive Committee held a properly noticed public hearing on the budget ordinance on June 7, 2021;

NOW, THEREFORE, BE IT ORDAINED by Executive Committee of the Cape Fear Council of Governments that the following amounts are hereby appropriated for the operation of said Council of Governments for the fiscal year beginning July 1, 2021 and ending June 30, 2022;

SECTION 1: Funds are appropriated in the general fund as follows:

General Fund	
<u>Revenues by Source:</u>	
Federal	\$93,965
Federal/State Passthrough	13,338,523
State	48,263
Member Assessments	42,000
Local Aging Share	60,377
Local RPO Share	80,018
Local CoC Share	115,300
Fee-For-Service	200,704
Appropriated Fund Balance	12,245
General Fund Total Revenues	<u><u>\$13,991,395</u></u>
 <u>Expenditures by Department:</u>	
Local Governments Services	\$585,377
Aging Services	5,137,196
Workforce Development	7,758,538
Homeless Continuum of Care	468,284
General Government	42,000
General Fund Total Expenditures	<u><u>\$13,991,395</u></u>

SECTION 2: The Budget Officer is hereby authorized to transfer appropriations within any of the departments in Section 1 without the approval of the Executive Committee.

Adopted this 7th day of June 2021.

Mike Forte, Chairman

April D. Radford, Clerk

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