



CAPE FEAR COUNCIL OF GOVERNMENTS

PROPOSED  
FISCAL YEAR 2022-2023  
BUDGET



DRAFT

5/4/2022

I am pleased to present the proposed FY 2022-2023 annual budget document for Cape Fear Council of Governments (CFCOG). 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. 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 22-23 is \$14,787,535, representing a nearly \$800,000 (6%) increase over the \$13,991,935 appropriation proposed for the prior fiscal year. This increase is primarily due to special pandemic-related program funding, some of which will be carried forward from the current fiscal year and have been incorporated into the current budget since initial adoption, and some of which are new American Rescue Plan Act (ARPA) funds. Specific changes related to each program are summarized as follows:

**Local Government Services ..... +71%.....+\$415,646**  
 Increase is due to additional projected technical assistance service contract with members and new contracts related to appropriations from the General Assembly through the NC Assoc. of Regional Councils of Government to assist local governments with pandemic and disaster recovery. Additional temporary staff are budgeted to assist with pandemic and disaster recovery efforts.

**Area Agency on Aging..... +50%...+\$2,574,900**  
 Increase is due to higher allocations of State and federal funds resulting from the growing number of persons 60 years old or older in our region, additional State funding appropriated for Aging services from the General Assembly, and ARPA funds related to aging services. Most of the additional funds will be passed directly to the counties or to their designated service providers.

**Workforce Development .....-31% .....-\$2,386,992**  
 Decrease is due to an expected significant reduction in formula allocations resulting from the low regional unemployment rate. Final formula allocations were not available during the budgeting process and a budget amendment will be required once award amounts are provided. Decreases will be reflected in smaller contracts with workforce contractors and, therefore, fewer services provided in the region.

**Homeless Continuum of Care (COC) ..... +41%.....+\$192,586**  
 Increase is due to expected additional local funding and from additional HUD program competition awards resulting from decreased participation from local partners. Most additional program competition funds are expected to be subawarded or contracted to local providers.

**General Government ..... +0%.....+\$0**  
 No changes proposed.

**CFCOG Total..... +6%.....+\$796,140**

Increase overall is mostly due to increases in Local Government Services and Homeless Continuum of Care programs, as Area Agency on Aging increases are offset by Workforce Development reductions. Overall, the budget reflects conservative revenue projections.

**Administrative Overhead (Indirect)..... +4%..... +\$18,185**

Increase is due primarily to general cost inflation, including personnel costs. 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 reasonably be directly charged to specific programs.

**Personnel (Salaries and Fringe Benefits)**

The total of all salaries and fringes, including temporary personnel, is approximately 16% of the total Council budget. A 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 be implemented November 1<sup>st</sup> if final funding allocations allow and after an amendment to the Pay Plan. Pay classifications are assigned separately by the adopted Position Classification and Pay Plan. Funds for a position classification and pay study is included in the budget. The Council has an excellent staff and retention of our personnel is critical to the success of the organization as qualified candidates with relevant skills and experience are difficult to find.

**Revenues**

The Council is funded primarily through federal and State grants. Federal funds are awarded both directly from federal agencies and passed through State agencies as subawards. 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) and the 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. This year additional federal and State funds were appropriated by the General Assembly to the NC Association of Regional Council of Governments for suballocation to individual Councils, including the CFCOG.

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.

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 increased 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 aggressively be seeking new programs 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 so that each member will realize the local benefits of regional cooperation.

Respectively submitted,



Allen Serkin  
*Executive Director*

## COMPARATIVE BUDGET ANALYSIS

	FY 21-22 Approved	FY 22-23 Proposed	Change \$	%
<b>Local Government Services:</b>				
<b>Revenues:</b>				
NCDOT	204,375	186,375		
Service Contracts	200,704	417,742		
Direct Federal Grants	100,280	23,512		
Dues/Match/Other	80,018	373,395		
<b>Department Revenue</b>	<b>585,377</b>	<b>1,001,023</b>		
<b>Expenditures:</b>				
Local Government Services	249,128	451,484		
Transportation Planning	235,969	212,969		
Disaster Recovery	70,280	313,059		
MOTSU JLUS Implementation	30,000	23,512		
<b>Department Expenditure</b>	<b>585,377</b>	<b>1,001,023</b>	\$ 415,646	71%
<b>Area Agency on Aging:</b>				
<b>Revenues:</b>				
State/Federal Funds	5,076,819	7,630,862		
Local Match	60,377	81,234		
<b>Department Revenue</b>	<b>5,137,196</b>	<b>7,712,096</b>		
<b>Expenditures:</b>				
Planning and Administration	374,904	668,079		
LTC Ombudsman and Elder Abuse	210,972	221,186		
Family Caregiver Support Program	140,113	126,113		
Project CARE	109,000	109,000		
Provider Contracts	4,302,207	6,587,718		
<b>Department Expenditure</b>	<b>5,137,196</b>	<b>7,712,096</b>	\$ 2,574,900	50%
<b>Workforce Development:</b>				
<b>Revenues:</b>				
WIOA Funds	7,758,538	5,371,546		
<b>Department Revenue</b>	<b>7,758,538</b>	<b>5,371,546</b>		
<b>Expenditures:</b>				
Administration	676,714	521,301		
Adult Program	2,529,762	1,813,000		
Dislocated Worker Program	1,566,920	1,114,000		
Youth Program	2,700,142	1,858,245		
Other	285,000	65,000		
<b>Department Expenditure</b>	<b>7,758,538</b>	<b>5,371,546</b>	\$ (2,386,992)	-31%

## COMPARATIVE BUDGET ANALYSIS

### Homeless COC:

#### Revenues:

Local	115,300	150,000	
HUD Direct	264,458	319,631	
ESG-HMIS	63,965	178,984	
ESG-Administration	12,316	12,255	
COC Fund Balance	12,245	-	
<b>Department Revenue</b>	<b>468,284</b>	<b>660,870</b>	

#### Expenditures:

COC Administration	97,545	120,000	
Coordinated Entry	30,000	73,500	
HUD-Planning	63,965	276,131	
ESG-HMIS	264,458	178,984	
ESG-Administration	12,316	12,255	
<b>Department Expenditure</b>	<b>468,284</b>	<b>660,870</b>	\$ 192,586 41%

### General Government

#### Revenues:

Misc.& Dues	42,000	42,000	
<b>Department Revenue</b>	<b>42,000</b>	<b>42,000</b>	

#### Expenditures:

Miscellaneous	42,000	42,000	
<b>Department Expenditure</b>	<b>42,000</b>	<b>42,000</b>	\$ - 0%

### Total Revenues

\$ 13,991,395    \$ 14,787,535

### Total Expenditures

\$ 13,991,395    \$ 14,787,535    \$ 796,140    6%

### Administrative Overhead from Programs

\$ 446,710    \$ 464,895    \$ 18,185    4%

**MEMBER ASSESSMENTS**

<b>County/ Municipality</b>	<b>Pop. July '19</b>	<b>Pop. July '20</b>	<b>Pop. Change</b>	<b>Dues/Match 21-22</b>	<b>Dues/Match 22-23</b>	<b>Change</b>
1 Brunswick County	71,882	66,478	(5,404)	\$ 36,334	\$ 35,805	\$ (529)
2 Bald Head Island	187	270	83	334	349	15
3 Belville	2,340	2,421	81	721	736	15
4 Boiling Spring Lakes	7,200	5,980	(1,220)	1,596	1,376	(220)
5 Bolivia	173	150	(23)	331	327	(4)
6 Calabash	2,085	2,023	(62)	675	664	(11)
7 Carolina Shores	3,992	4,616	624	1,019	1,131	112
8 Caswell Beach	475	397	(78)	386	371	(15)
9 Holden Beach	675	927	252	422	467	45
10 Leland	22,610	23,049	439	4,370	4,449	79
11 Navassa	2,131	1,375	(756)	684	548	(136)
12 Northwest	879	707	(172)	458	427	(31)
13 Oak Island	8,089	8,448	359	1,756	1,821	65
14 Ocean Isle Beach	687	872	185	424	457	33
15 Sandy Creek	315	250	(65)	357	345	(12)
16 Shallotte	4,979	4,210	(769)	1,196	1,058	(138)
17 Southport	3,635	4,059	424	954	1,031	77
18 St. James	5,677	6,569	892	1,322	1,482	160
19 Sunset Beach	4,481	4,201	(280)	1,107	1,056	(51)
20 Varnamtown	677	528	(149)	422	395	(27)
<b>Brunswick Total</b>	<b>143,169</b>	<b>137,530</b>	<b>(5,639)</b>	<b>\$ 54,868</b>	<b>\$ 54,295</b>	<b>\$ (573)</b>
21 Columbus County	40,221	35,988	(4,233)	\$ 24,367	\$ 23,617	\$ (750)
22 Boardman	151	165	14	327	330	3
23 Bolton	570	515	(55)	403	393	(10)
24 Brunswick	1,098	971	(127)	498	475	(23)
25 Cerro Gordo	193	130	(63)	335	323	(12)
26 Chadbourn	1,751	1,562	(189)	615	581	(34)
27 Fair Bluff	907	703	(204)	463	427	(36)
28 Lake Waccamaw	1,451	1,287	(164)	561	532	(29)
29 Sandyfield	474	427	(47)	385	377	(8)
30 Tabor City	4,268	3,762	(506)	1,068	977	(91)
31 Whiteville	5,163	4,730	(433)	1,229	1,151	(78)
<b>Columbus Total</b>	<b>56,247</b>	<b>50,240</b>	<b>(6,007)</b>	<b>\$ 30,251</b>	<b>\$ 29,183</b>	<b>\$ (1,068)</b>
32 New Hanover County	99,271	99,036	(235)	\$ 37,821	\$ 39,889	\$ 2,068
33 Carolina Beach	6,152	6,565	413	1,407	1,482	\$ 75
34 Kure Beach	2,261	2,191	(70)	707	694	\$ (13)
35 Wilmington	122,891	115,465	(7,426)	22,420	21,084	\$ (1,336)
36 Wrightsville Beach	2,487	2,473	(14)	748	745	\$ (3)
<b>New Hanover Total</b>	<b>233,062</b>	<b>225,730</b>	<b>(7,332)</b>	<b>\$ 63,103</b>	<b>\$ 63,894</b>	<b>\$ 791</b>
37 Pender County	55,723	51,727	(3,996)	\$ 30,226	\$ 29,909	\$ (317)
38 Atkinson	357	297	(60)	364	353	\$ (11)
39 Burgaw	4,087	3,700	(387)	1,036	966	\$ (70)
40 St. Helena	434	418	(16)	378	375	\$ (3)
41 Surf City	1,902	3,874	1,972	642	697	\$ 55
42 Topsail Beach	418	462	44	375	383	\$ 8
43 Wallace	3,963	3,384	(579)	1,013	909	\$ (104)
44 Watha	232	181	(51)	342	333	\$ (9)
<b>Pender Total</b>	<b>67,116</b>	<b>64,043</b>	<b>(3,073)</b>	<b>\$ 34,376</b>	<b>\$ 33,925</b>	<b>\$ (451)</b>
45 Holly Ridge	1,980	4,177	2,197	\$ 656	\$ 1,052	\$ 396
46 North Topsail Beach	796	1,006	210	443	481	\$ 38
<b>Affiliate Members</b>	<b>2,776</b>	<b>5,183</b>	<b>2,407</b>	<b>\$ 1,099</b>	<b>\$ 1,533</b>	<b>\$ 434</b>
<b>GRAND TOTAL</b>	<b>502,370</b>	<b>482,726</b>	<b>(19,644)</b>	<b>\$ 183,697</b>	<b>\$ 182,830</b>	<b>\$ (867)</b>

**CAPE FEAR COUNCIL OF GOVERNMENTS  
FISCAL YEAR 2022-2023 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;

**WHEREAS**, the Council is 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; and

**WHEREAS**, N.C.G.S. 159-8(a) requires a public authority to operate under an annual balanced budget ordinance;

**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, 2022 and ending June 30, 2023;

**SECTION 1:** Funds are appropriated as follows:

General Fund

Expenditures by Department:

Local Governments Services	\$ 1,001,023
Aging Services	7,712,096
Workforce Development	5,371,546
Homeless Continuum of Care	660,870
General Government	42,000
General Fund Total Expenditures	<u><u>\$ 14,787,535</u></u>

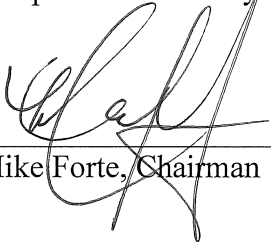
Revenues by Source:

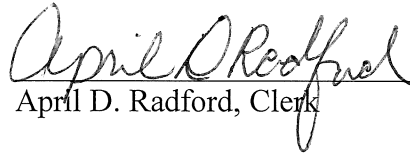
Federal	\$ 343,143
Fed/State Pass Thru	13,645,318
State	48,263
Member Assessment	42,000
Local Aging Share	81,234
Local LGS Share	60,336
Local COC Share	150,000
Fee-For-Service	417,241
General Fund Total Revenues	<u><u>\$ 14,787,535</u></u>



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

Adopted this 13th day of June 2022.

  
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Mike Forte, Chairman

  
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April D. Radford, Clerk