



CAPE FEAR COUNCIL OF GOVERNMENTS

PROPOSED FISCAL YEAR 2023-2024 BUDGET

DRAFT

5/3/2023



I am pleased to present the proposed FY 2023-2024 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 21% of annual operating expenditures. The Council is in sound fiscal shape with adequate reserves.

Each program director worked with the Executive Director and 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 23-24 is \$13,897,744, representing a nearly \$900,000 (6%) decrease from the \$14,787,535 appropriation adopted for the prior fiscal year. This decrease is primarily due to (1) overbudgeting Workforce Development funding by more than \$500,000 during the current (FY 2022-23) fiscal year, which was corrected in the October budget amendment, (2) spending down special multi-year funding sources, and (3) reduced expected carry-forward amount from the current fiscal year. Specific changes related to each program are summarized as follows:

Local Government Services +30%..... +\$302,010

Increase is primarily due to additional projected technical assistance service contracts with members and to resiliency assistance funds added to the current (FY 2022-23) budget after initial adoption.

Area Agency on Aging.....-5% -\$403,540

Decrease is primarily due to spending down multi-year allocation of ARPA funds related to aging services. Most non-ARPA programs are expected to see slightly increased allocations due to the increasing share of older adults in our region. Final allocations were not available during the budgeting process and a budget amendment will be required once final award amounts are provided.

Workforce Development-19%-\$1,030,601

Decrease is primarily due correcting overbudgeted numbers from the prior year and from reductions in expected program carryforward funds resulting from decreasing allocations. Final formula allocations were not available during the budgeting process and a budget amendment will be required once award amounts are provided.

Homeless Continuum of Care (COC) +38%..... +\$249,340

Increase is primarily due to increased carryforward amounts from current grants and expected additional federal (HUD) and State (ESG) program competition awards resulting in part from decreased participation from local partners.

General Government-17% -\$7,000

No changes proposed.

CFCOG Total.....-6%-\$889,791

Workforce Development and Area Agency on Aging decreases are partially offset by increases in Local Government Services and Homeless Continuum of Care programs. Overall, the budget reflects conservative revenue projections which may increase when final allocations are known.

Administrative Overhead (Indirect) +7% +\$31,258

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 16.5% 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 1st 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. 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. Additional federal and State funds are subawarded by the NC Association of Regional Council of Governments.

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 Permanent Supportive Housing 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 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 so that each member will realize the local benefits of regional cooperation.

Respectively submitted,



Allen Serkin
Executive Director

COMPARATIVE BUDGET ANALYSIS

	FY 22-23 Approved	FY 23-24 Proposed	Change \$	%
Local Government Services:				
Revenues:				
NCDOT	186,375	106,375		
Service Contracts	417,742	433,933		
Direct Federal Grants	23,512	12,314		
Dues/Match/Other	373,394	750,412		
Department Revenue	1,001,023	1,303,034		
Expenditures:				
Local Government Services	451,483	472,791		
Transportation Planning	212,969	135,370		
Disaster Recovery/ARPA	313,059	682,558		
MOTSU JLUS Implementation	23,512	12,314		
Department Expenditure	1,001,023	1,303,033	\$ 302,010	30%
			0	
Area Agency on Aging:				
Revenues:				
State/Federal Funds	7,630,862	7,225,939		
Local Match	81,234	82,617		
Department Revenue	7,712,096	7,308,556		
Expenditures:				
Planning and Administration	668,079	532,470		
LTC Ombudsman and Elder Abuse	221,186	246,411		
Family Caregiver Support Program	126,113	130,204		
Project CARE	109,000	111,000		
Provider Contracts	6,587,718	6,288,471		
Department Expenditure	7,712,096	7,308,556	\$ (403,540)	-5%
			-	
Workforce Development:				
Revenues:				
WIOA Funds	5,371,546	4,340,945		
Department Revenue	5,371,546	4,340,945		
Expenditures:				
Administration	521,301	432,021		
Adult Program	1,813,000	1,088,611		
Dislocated Worker Program	1,114,000	845,039		
Youth Program	1,858,245	1,475,274		
Other	65,000	500,000		
Department Expenditure	5,371,546	4,340,945	\$ (1,030,601)	-19%
			-	

COMPARATIVE BUDGET ANALYSIS

Homeless COC:

Revenues:

Local: Administration	150,000	86,500
Local: Match		89,775
HUD Direct	319,631	527,515
ESG-HMIS	178,984	194,112
ESG-Administration	12,255	12,308
Department Revenue	660,870	910,210

Expenditures:

COC Administration	120,000	86,500
Coordinated Entry	73,500	151,250
HUD-Planning and PSH	276,131	466,040
ESG-HMIS	178,984	194,112
ESG-Administration	12,255	12,308
Department Expenditure	660,870	910,210

\$ 249,340 38%

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General Government

Revenues:

Misc.& Dues	42,000	35,000
Department Revenue	42,000	35,000

Expenditures:

Miscellaneous	42,000	35,000
Department Expenditure	42,000	35,000

\$ (7,000) -17%

Total Revenues

\$ 14,787,535 \$ 13,897,745

Total Expenditures

\$ 14,787,535 \$ 13,897,744 \$ (889,791) -6%

Administrative Overhead from Programs \$ 464,895 \$ 496,153 \$ 31,258 7%

MEMBER ASSESSMENTS

County/ Municipality	Pop. July '20	Pop. July '21	Pop. Change	Dues/Match 22-23	Dues/Match 23-24	Change
1 Brunswick County	66,138	68,042	1,904	\$ 35,805	\$ 36,789	\$ 984
2 Bald Head Island	268	282	14	349	351	2
3 Belville	2,406	2,462	56	736	743	7
4 Boiling Spring Lakes	5,943	6,163	220	1,376	1,409	33
5 Bolivia	149	152	3	327	327	-
6 Calabash	2,011	2,121	110	664	682	18
7 Carolina Shores	4,588	4,849	261	1,131	1,173	42
8 Caswell Beach	395	403	8	371	373	2
9 Holden Beach	921	968	47	467	474	7
10 Leland	22,908	25,459	2,551	4,449	4,883	434
11 Navassa	1,367	1,452	85	548	561	13
12 Northwest	703	746	43	427	434	7
13 Oak Island	8,396	8,855	459	1,821	1,894	73
14 Ocean Isle Beach	867	922	55	457	466	9
15 Sandy Creek	248	259	11	345	347	2
16 Shallotte	4,185	4,347	162	1,058	1,082	24
17 Southport	3,971	4,226	255	1,031	1,061	30
18 St. James	6,529	7,011	482	1,482	1,562	80
19 Sunset Beach	4,175	4,300	125	1,056	1,074	18
20 Varnamtown	525	531	6	395	396	1
Brunswick Total	136,693	143,550	6,857	\$ 54,295	\$ 56,081	\$ 1,786
21 Columbus County	36,278	36,120	(158)	\$ 23,617	\$ 23,829	\$ 212
22 Boardman	166	166	-	330	330	-
23 Bolton	519	637	118	393	415	22
24 Brunswick	973	929	(44)	475	467	(8)
25 Cerro Gordo	131	131	-	323	324	1
26 Chadbourn	1,574	1,571	(3)	581	583	2
27 Fair Bluff	709	713	4	427	428	1
28 Lake Waccamaw	1,296	1,325	29	532	539	7
29 Sandyfield	430	429	(1)	377	377	-
30 Tabor City	3,781	3,643	(138)	977	956	(21)
31 Whiteville	4,766	4,705	(61)	1,151	1,147	(4)
Columbus Total	50,623	50,369	(254)	\$ 29,183	\$ 29,395	\$ 212
32 New Hanover County	99,023	100,614	1,591	\$ 39,889	\$ 41,149	\$ 1,260
33 Carolina Beach	6,564	6,584	20	1,482	1,485	3
34 Kure Beach	2,191	2,208	17	694	697	3
35 Wilmington	115,451	118,063	2,612	21,084	21,551	467
36 Wrightsville Beach	2,473	2,474	1	745	745	-
New Hanover Total	225,702	229,943	4,241	\$ 63,894	\$ 65,627	\$ 1,733
37 Pender County	52,227	53,532	1,305	\$ 29,909	\$ 30,898	\$ 989
38 Atkinson	296	306	10	353	355	2
39 Burgaw	3,088	4,203	1,115	966	1,057	91
40 St. Helena	417	425	8	375	377	2
41 Surf City	3,533	3,848	315	697	993	296
42 Topsail Beach	461	480	19	383	386	3
44 Watha	181	184	3	333	333	-
Pender Total	60,203	62,978	2,775	\$ 33,016	\$ 34,399	\$ 1,383
45 Holly Ridge	4,171	4,503	332	\$ 1,052	\$ 1,111	\$ 59
46 North Topsail Beach	1,005	1,037	32	481	487	6
43 Wallace	3,413	3,439	26	909	919	10
Affiliate Members	8,589	8,979	390	\$ 2,442	\$ 2,517	\$ 75
GRAND TOTAL	481,810	495,819	14,009	\$ 182,830	\$ 188,019	\$ 5,189

**CAPE FEAR COUNCIL OF GOVERNMENTS
FISCAL YEAR 2023-2024 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, 2023 and ending June 30, 2024;

SECTION 1: Funds are appropriated as follows:

Expenditures by Department:

Local Governments Services	\$1,303,033
Aging Services	7,308,556
Workforce Development	4,340,945
Homeless Continuum of Care	910,210
General Government	35,000
Total Expenditures	<u>\$13,897,744</u>

Revenues by Source:

Federal	\$539,829
Fed/State Pass Thru	12,224,746
State	337,491
Member Assessment	35,000
Local Aging Share	82,617
Local LGS Share	67,854
Local COC Share	176,275
Fee-For-Service	433,932
Total Revenues	<u>\$13,897,744</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 12th day of June 2023.

Mike Forte, Chairman

April D. Radford, Clerk