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 adtopted 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
Area Agency on Aging5%\$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

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.

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.

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 FY 23-24 Approved 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	<i>75</i> 0,412		
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%
W. If Burdingson		-		
Workforce Development:				
Revenues:	5 271 5 4 6	1 2 10 0 15		
WIOA Funds	5,371,546	4,340,945 4,340,945	-	
Department Revenue	5,371,546	4,340,943	:	
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: Adminstration		150,000	86,500			
Local: Match			89 <i>,775</i>			
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		<i>7</i> 3,500	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%
			-			
General Government						
Revenues:						
Misc.& Dues		42,000	 35,000			
Department Revenue	Marine	42,000	 35,000	:		
Expenditures:						
Miscellaneous		42,000	35,000			
Department Expenditure		42,000	35,000	\$	(7,000)	-17%
Total Revenues	\$ 1	4,787,535	 13,897,745	:		
Total Expenditures	\$ 1	4,787,535	\$ 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	Du	ues/Match 22-23	Du	es/Match 23-24	С	hange
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 7
9 Holden Beach	921	968	47 2.551		467 4,449		474 4,883		434
10 Leland 11 Navassa	22,908 1,367	25,459 1,452	2,551 85		548		561		13
12 Northwest	703	746	43		427		434		7
13 Oak Island	8,396	8,855	459		1,821		1,894		<i>7</i> 3
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	<i>7</i> ,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)		3 <i>77</i> 977		377		- (21)
30 Tabor City	3,781	3,643 4,705	(138) (61)		1,151		956 1,1 <i>4</i> 7		(21)
31 Whiteville Columbus Total	4,766 50,623	50,369	(254)	\$	29,183	\$	29,395	\$	(4) 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 3
34 Kure Beach	2,191	2,208	1 <i>7</i> 2,612		694 21,084		697 21,551		3 467
35 Wilmington 36 Wrightsville Beach	115,451 2,473	118,063 2,474	2,012		745		745		407
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	1,303	Ψ	353	4	355	Ψ	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	7	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	\$13,897,744
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	\$13,897,744

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