



CAPE FEAR COUNCIL OF GOVERNMENTS

PROPOSED
FISCAL YEAR 2024-2025
BUDGET



DRAFT

5/9/2024

I am pleased to present the proposed FY 2024-2025 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 28% 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 24-25 is \$12,230,912, representing a nearly \$1,666,833 (12%) decrease from the \$13,897,744 appropriation adopted for the prior fiscal year. This decrease is primarily due to (1) spending down special multi-year funding sources, particularly ARPA funds, and (2) planned transfer of HUD Permanent Supportive Housing (PSH) funding to another Homeless Service agency. Specific changes related to each program are summarized as follows:

Local Government Services +5% +\$71,448
 Increase is primarily due to receipt of multi-year grant from NC Emergency Management during FY 2023-24, after adoption of the initial budget.

Area Agency on Aging -25% -\$1,852,413
 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 7% +\$284,800
 Increase is primarily due to an increase in expected program carryforward funds relative to FY 23-24. Final formula allocations were not available during the budgeting process and a budget amendment will be required once award amounts are provided.

Homeless Services -22% -\$201,900
 Decrease is primarily due to the transfer of HUD PSH funds to local partner.

General Government +89% +\$31,232
 Increase is primarily due to fewer obligations relative to FY 23-24.

CFCOG Total -12% -\$1,666,833
 Area Agency on Aging and Homeless Services decreases are partially offset by increases in Local Government Services and Workforce Development programs. Overall, the budget reflects conservative revenue projections which may increase when final allocations are known.

Administrative Overhead (Indirect) +9% +\$47,107

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 21% of the total Council budget. A 4% 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 Position Classification and 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, especially in the current labor market.

Revenues

The Council is funded primarily through grants from federal and State agencies. 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 typically not known until late in the budgeting process or after budget adoption. 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 preliminary and final funding award 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 Southeast Crescent Regional Commission (SCRC). 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, Department of Public Safety, 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 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 service 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 23-24 Approved	FY 24-25 Proposed	Change \$	%
Local Government Services:				
Revenues:				
NCDOT	106,375	145,350		
Service Contracts	433,933	309,481		
Direct Federal Grants	12,314	24,000		
Dues/Match/Other	750,412	895,650		
Department Revenue	1,303,034	1,374,481		
Expenditures:				
Contract Services	472,791	317,481		
Transportation Planning	135,370	153,000		
Disaster Recovery/ARPA	682,558	680,000		
SCRC	-	24,000		
Flood Mitigation	-	200,000		
MOTSU JLUS Implementation	12,314	-		
Department Expenditure	1,303,033	1,374,481	\$ 71,448	5%
		-		
Area Agency on Aging:				
Revenues:				
State/Federal Funds	7,225,939	5,368,948		
Local Match	82,617	87,195		
Department Revenue	7,308,556	5,456,143		
Expenditures:				
Planning and Administration	532,470	443,519		
LTC Ombudsman and Elder Abuse	246,411	256,932		
Family Caregiver Support Program	130,204	142,445		
Project CARE	111,000	120,000		
Provider Contracts	6,288,471	4,493,247		
Department Expenditure	7,308,556	5,456,143	\$ (1,852,413)	-25%
		-		
Workforce Development:				
Revenues:				
WIOA Funds	4,340,945	4,625,745		
Department Revenue	4,340,945	4,625,745		
Expenditures:				
Administration	432,021	286,808		
Adult Program	1,088,611	1,390,605		
Dislocated Worker Program	845,039	863,771		
Youth Program	1,475,274	1,684,171		
Other	500,000	400,390		
Department Expenditure	4,340,945	4,625,745	\$ 284,800	7%
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COMPARATIVE BUDGET ANALYSIS

Homeless Services:

Revenues:

Local-Administration	86,500	82,803		
Local-Match	89,775	52,096		
HUD CoC	527,515	397,382		
ESG HMIS	194,112	163,749		
ESG Administration	12,308	12,281		
Department Revenue	910,210	708,311		

Expenditures:

HS Administration	86,500	82,803		
HUD Coordinated Entry	151,250	232,099		
HUD Planning and PSH	466,040	217,379		
ESG HMIS	194,112	163,749		
ESG Administration	12,308	12,281		
Department Expenditure	910,210	708,311	\$ (201,900)	-22%

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General Government

Revenues:

Misc.& Dues	35,000	66,232		
Department Revenue	35,000	66,232		

Expenditures:

Miscellaneous	35,000	21,000		
Unobligated Dues	-	45,232		
Department Expenditure	35,000	66,232	\$ 31,232	89%

Total Revenues

\$ 13,897,745 \$ 12,230,912

Total Expenditures

\$ 13,897,744 \$ 12,230,912 \$ (1,666,833) -12%

Administrative Overhead from Programs

\$ 496,153 \$ 543,260 \$ 47,107 9%

MEMBER ASSESSMENTS

County/ Municipality	Pop. July '21	Pop. July '22	Pop. Change	Dues/Match 23-24	Dues/Match 24-25	Change
1 Brunswick County	68,042	71,574	3,532	\$ 30,475	\$ 32,309	\$ 1,834
2 Bald Head Island	282	292	10	351	353	2
3 Belville	2,462	2,522	60	743	754	11
4 Boiling Spring Lakes	6,163	6,424	261	1,409	1,456	47
5 Bolivia	152	175	23	327	332	5
6 Calabash	2,121	2,208	87	682	697	15
7 Carolina Shores	4,849	5,197	348	1,173	1,235	62
8 Caswell Beach	403	409	6	373	374	1
9 Holden Beach	968	1,014	46	474	483	9
10 Leland	25,459	28,126	2,667	4,883	5,363	480
11 Navassa	1,452	1,559	107	561	581	20
12 Northwest	746	833	87	434	450	16
13 Oak Island	8,855	9,346	491	1,894	1,982	88
14 Ocean Isle Beach	922	978	56	466	476	10
15 Sandy Creek	259	276	17	347	350	3
16 Shallotte	4,347	4,528	181	1,082	1,115	33
17 Southport	4,226	4,510	284	1,061	1,112	51
18 St. James	7,011	7,541	530	1,562	1,657	95
19 Sunset Beach	4,300	4,465	165	1,074	1,104	30
20 Varnamtown	531	538	7	396	397	1
Brunswick Total	143,550	152,515	8,965	\$ 49,767	\$ 52,580	\$ 2,813
21 Columbus County	36,120	35,745	(375)	\$ 17,515	\$ 17,562	\$ 47
22 Boardman	166	165	(1)	330	330	-
23 Bolton	637	633	(4)	415	414	(1)
24 Brunswick	929	973	44	467	475	8
25 Cerro Gordo	131	132	1	324	324	-
26 Chadbourn	1,571	1,555	(16)	583	580	(3)
27 Fair Bluff	713	708	(5)	428	427	(1)
28 Lake Waccamaw	1,325	1,311	(14)	539	536	(3)
29 Sandyfield	429	427	(2)	377	377	-
30 Tabor City	3,643	3,726	83	956	971	15
31 Whiteville	4,705	4,676	(29)	1,147	1,142	(5)
Columbus Total	50,369	50,051	(318)	\$ 23,081	\$ 23,138	\$ 57
32 New Hanover County	100,614	102,768	2,154	\$ 41,149	\$ 42,598	\$ 1,449
33 Carolina Beach	6,584	6,712	128	1,485	1,508	23
34 Kure Beach	2,208	2,226	18	697	701	4
35 Wilmington	118,063	121,309	3,246	21,551	22,136	585
36 Wrightsville Beach	2,474	2,487	13	745	748	3
New Hanover Total	229,943	235,502	5,559	\$ 65,627	\$ 67,691	\$ 2,064
37 Pender County	53,532	55,274	1,742	\$ 24,584	\$ 25,600	\$ 1,016
38 Atkinson	306	312	6	355	356	1
39 Burgaw	4,203	4,145	(58)	1,057	1,046	(11)
40 St. Helena	425	433	8	377	378	1
41 Surf City	3,848	4,120	272	993	1,042	49
42 Topsail Beach	480	493	13	386	389	3
44 Watha	184	194	10	333	335	2
Pender Total	62,978	64,971	1,993	\$ 28,085	\$ 29,146	\$ 1,061
45 Holly Ridge	4,503	4,792	289	\$ 1,111	\$ 1,163	\$ 52
46 North Topsail Beach	1,037	1,059	22	487	491	4
43 Wallace	3,439	3,425	(14)	919	917	(2)
Affiliate Members	8,979	9,276	297	\$ 2,517	\$ 2,571	\$ 54
GRAND TOTAL	495,819	512,315	16,496	\$ 169,077	\$ 175,126	\$ 6,049

**CAPE FEAR COUNCIL OF GOVERNMENTS
FISCAL YEAR 2024-2025 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, 2024, and ending June 30, 2025:

SECTION 1: Funds are appropriated as follows:

Expenditures by Department:

Local Governments Services	\$1,374,481
Aging Services	5,456,143
Workforce Development	4,625,745
Homeless Services	708,311
General Government	66,232
Total Expenditures	<u><u>\$12,230,912</u></u>

Revenues by Source:

Federal	\$397,382
Fed/State Pass Thru	10,677,810
State	542,263
Member Assessment	66,232
Local Aging Share	87,195
Local LGS Share	15,650
Local HS Share	134,899
Fee-For-Service	309,481
Total Revenues	<u><u>\$12,230,912</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 10th day of June 2024.



Mike Forte, Chairman



April D. Radford, Clerk