POLK COUNTY, NORTH CAROLINA

ANNUAL BUDGET Fiscal Year 2013-2014



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DIRECTOR OF FINANCE

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RECOMMENDED ANNUAL BUDGET Fiscal Year 2013-2014

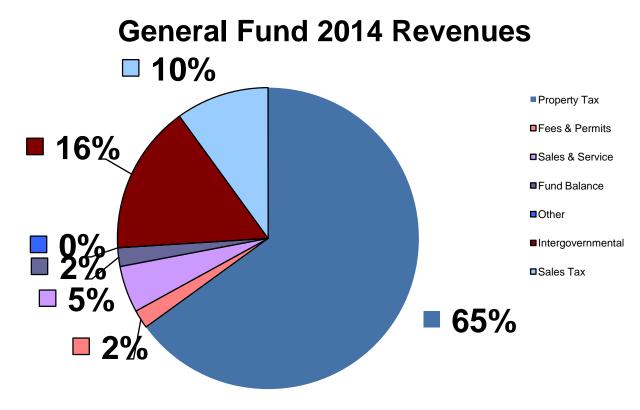
May 28, 2013

I hereby submit the following recommended budget for Fiscal Year 2013-2014 in the amount of \$25,754,086. The budget is balanced in accordance with the requirements of the Local Government Budget and Fiscal Control Act. The budget includes a tax rate that is reduced from last year's budget and will allow Polk County to meet the needs of the citizens over the next budget year.

General Fund Revenues:

The property tax rate that is recommended is .5175 cents per 100.00 of value. Polk County (like other NC Counties) receives revenue from several different areas throughout the budget year. Property tax, fees and permits, sales and service, and sales tax to name a few. We lost revenue in two categories this year as the state hold harmless money for repealed taxes expired (\$400,000.00) and we had an approximate reduction in revenues from the Equalization and Review Board (\$100,000.00). Some revenue projections have been adjusted to budget closer to current year and prior year actuals.

Below you will see a graph that shows what percentage of the overall budget each source of revenue represents.



Expenditures:

Capital

This year's budget meets many capital needs of Polk County Local Government and is being funded by general fund balance appropriation due to the expectation of excess revenues over expenditures for the year ended 06/30/2013. Polk County has had excess revenue over expenditures (without the consideration of fund balance appropriated during the fiscal year...capital projects...paying off debt etc.) since 2006 and the amount hasn't been under 1.4 million dollars in any of these years.

	2006	2007	2008	2009	2010	2011	2012
General Fund Revenues	\$ 23,488,220	\$22,031,977	\$ 23,034,680	\$ 22,723,394	\$ 21,547,462	\$ 21,810,677	\$ 22,291,378
General Fund Expenditures	22,007,908	19,810,977	20,083,667	21,174,462	20,352,199	21,636,188	21,368,066
Transfers in/(out)	(713,572)	(1,215,917)	(2,533,346)	(3,184,192)	(463,720)	(545,098)	(1,108,540)
Difference - profit/(loss)	\$ 766,740	\$ 1,005,083	\$ 417,667	\$ (1,635,260)	\$ 731,543	\$ (370,609)	\$ (185,228)
Appropriated Fund Balance Totals	\$ 1,111,352	\$ 1,240,870	\$ 2,230,526	\$ 3,229,004	\$ 694,738	\$ 2,109,083	\$ 2,092,387
Profit/(loss) without	\$ 1,878,092	\$ 2,245,953	\$ 2,648,193	\$ 1,593,744	\$ 1,426,281	\$ 1,738,474	\$ 1,907,159
fund balance expenditures							
Appropriated fund balance consist of capi	tal projects etc tha	t					
comes up during the year that Commission							
money to dofor examplepaying off debt	running water line	esetc.					

This year's capital items are listed below:

- Four new vehicles for the Sheriff's Office to ensure the safety of the Sheriff's fleet and some other equipment (\$178,500.00).
- A new ambulance for Polk County EMS to help replace an older ambulance and older equipment. (\$139,510.00)
- Three new vans for Polk County Transportation partially paid for with matching funds. (\$12,592.00).
- Two new Ford Explorers, one for Building Inspections (to replace a 1999 Ford F-150) and one for Administration (to replace a 2002 Ford Explorer) (\$51,190.00).
- A new AS400 server to replace the existing equipment that can no longer handle operating system software updates (\$35,000.00).
- Ten computers, printers, and scanners for Polk County DSS to recycle aging equipment partially paid for with reimbursement funds (\$7050.00).
- Cooking equipment for the Polk County Jail (\$5000.00).
- A rough cut mower and a spreader for Polk County Maintenance (\$2700.00).
- Replacement equipment for Polk County Animal Control (\$2000.00).
- A computer for Polk County Finance (to replace older equipment) (\$1000.00).
- Additional lighting for the District Attorney's Office (\$1000.00).

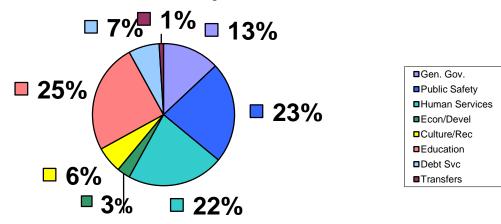
Personnel

There are several personnel increases to the operating budget of Polk County Local Government during the FY2013-2014.

- Polk County Sheriff's Office will employ a new shift sergeant, an inmate transportation officer, and a jail administrator (\$144,216.00)
- Made four part time temporary positions part time permanent positions in Maintenance (Cleaning) and Tax Assessing (\$61,377.00).
- Modified two positions at DSS to make them more aligned with the organizational goals. (\$4,146.00)
- Created an Emergency Management Director/Fire Marshal position. (maximum Approximately \$75,270.00)
- Made one part time permanent position full time in Solid Waste. (\$14,176.00)
- Made two part time permanent positions (with benefits) to full time in Transportation.
 (No Increase)
- A 2.5% across the board pay increase for current employees effective January 1st 2014. (\$88,044.00)

The general fund has several classifications of expenditures as you can see by the graph below.

General Fund 2014 Expenditures

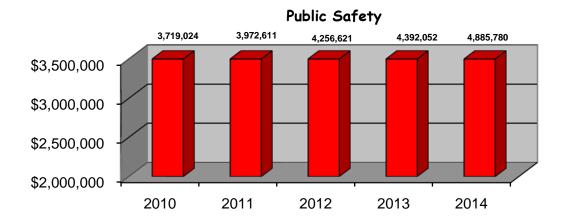


General Government

General Government consists of several entities including Governing Body, Administration, Finance, Tax Collections and Assessing, Revaluation, Legal, Courts (County Portion), Elections, Registrar of Deeds, Public Buildings, Information Systems, and Personnel. This section had a 2% increase for the year and is 13% of our total budget.

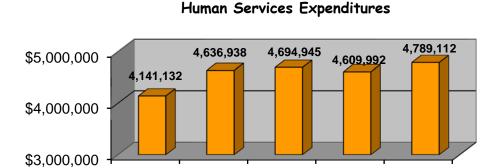
Public Safety

Public Safety includes the Sheriff's Office, Jail, Animal Control, 911 Communications, Emergency Management, Community Development, Medical Services, and the Rescue Squad. This section had an increase of 11% for the year and is 23% of our overall budget.



Human Services

Human Services consists of Transportation Operations and Administration, Health Department, Mental Health, Alcohol and Rehab, Indigent Burial, Juvenile Crime Prevention, CJPP, Veterans Administration, and the Department of Social Services. This section has an increase of 4% and makes up 22% of our overall budget.



2011

Economic Development

2010

Economic development includes Forestry, the Economic Development and Tourism Department, Planning, Cooperative Extension, Soil and Water Conservation, and Agricultural Economic Development. This section has a combined decrease of 1.3% for the year and makes up 3% of our overall budget.

2012

2014

2013

Culture and Recreation

Culture and Recreation includes the Meeting Place, the Saluda Senior Center, the Library, Recreation, and the Recreation Complex. This section has a combined decrease of less than 1% for the year and makes up 6% of our overall budget.

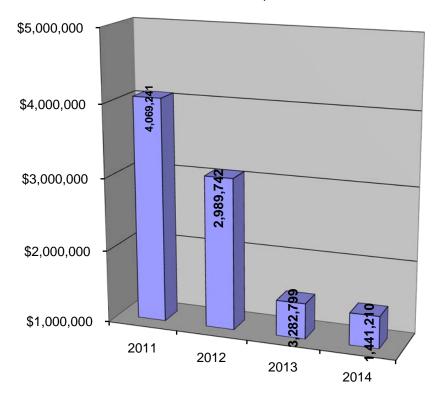
Education

Education is by far the biggest item in our budget. The Superintendent is not requesting any increase in this year's budget. This item makes up 25% of our overall budget.

Debt Service

Currently the debt service is paying for the Middle School, the Library, the Recreation Complex, and the Transfer Station. The DSS building is being paid for out of their departmental budget to take advantage of reimbursement from the State of NC.

Debt Service Expenditure



Transfers

In the 2013-2014 FY we are transferring \$100,000.00 to Capital Reserve, \$100,000.00 to water capital projects, and \$95,706.00 to school debt service (QZAB).

Summary

This general fund budget is balanced and is slightly reduced overall from our current year amended budget as well as last year's actual spending. At the same time it reduces the tax rate ¼ of a cent for Polk County Citizens. This budget will allow us to maintain and improve upon services to County Citizens. I appreciate all of your input during the budgeting process and look forward to the coming fiscal year.

Respectfully submitted,

D. Marche Pittman

BUDGET PROCESS

Polk County operates under an annual balanced budget ordinance as required by North Carolina statutes. This means that the sum of estimated net revenues and appropriated fund balance in each fund shall be equal to appropriations in that fund. State statutes also require that the County operate on a fiscal year beginning July 1 and ending June 30.

Budget Development

Budgets are developed on a departmental basis by expenditure function within a fund. The budgets display all of the County financial operations including funding for various agencies outside of the County's organizational structure. The Board of Commissioners adopted a Strategic Plan for Polk County. To implement the Strategic Plan, each County Department and intergovernmental agency receiving County funds was asked to address the strategies in their requested budget documents.

Adoption of Budget Ordinance

The annual balanced budget is submitted to the Board of Commissioners in June. A public hearing on the budget is held in the middle of June with an expected budget adoption by June 30. In accordance with North Carolina statutes, the governing board shall adopt a budget not earlier than ten days after the budget is presented to the Board and not later than July 1.

Amendments to the Budget Ordinance

The County Manager is authorized by the budget ordinance to transfer appropriations between departments up to \$5,000 per expenditure, and \$5,000 per expenditure within a department. However, any revisions that alter total expenditures of any fund or that change functional appropriations by more than \$10,000 per expenditure must be approved by the governing board. No amendment may increase or reduce a property tax levy or in any manner alter a property taxpayer's liability.

POLK COUNTY Budget Calendar Fiscal Year 2013-2014

Revised

5/20/2013

February 5, 2013	Departments Receive Budget Packets & Manager Budget Guidance Meeting
February 5- March 15, 2013	Departments Prepare Budget Request
March 15, 2013	Departments Submit Budgets to Finance Department
March 15 - April 1, 2013	Finance Inputs Budget Requests
April 1 - May 10, 2013	Manager Reviews Requests & Meets with Department Mgrs.
May 13, 2013	Board of Commissioner Budget Work Session - 3:00pm Departments
May 14, 2013	Board of Commissioner Budget Work Session - 3:00pm Departments
May 16, 2013	Board of Commissioner Budget Work Session - 3:00pm Departments (if necessary) Harmon Field, Fire Departments & Rescue Squad Budgets - 6:00pm
May 17 - May 29, 2013	Prepare Budget Presentation
May 22, 2013	Advertise Public Hearing for Budget Ordinance
May 31, 2013	Manager Presents Balanced Budget to Board of Commissioners - 9:00am (Special Meeting)
June 3, 2013	Board of Commissioner Budget Work Session - 6:00pm (Regular meeting to follow)
June 10, 2013	Budget Public Hearing (Special Meeting) - 7:00pm
June 17, 2013	Board of Commissioners Adopt Tax Levy and Ordinance (Regular Meeting)
June 19, 2013	Publish Summary Available Notice

GENERAL FUND BUDGET SUMMARY

Revenues/Sources	2011-2012 Actual	2012-2013 Amended	2013-2014 Recommended	Percent Increase (Decrease)
Ad Valorem Taxes Sales Taxes Intergovernmental Permits and Fees Sales and Services Other Revenues Transfers from Other Funds	14,304,200 2,228,718 4,058,881 458,747 1,091,551 155,909 54,000	13,942,364 1,929,657 3,565,338 311,931 915,181 157,271	13,844,892 2,171,942 3,485,061 362,711 969,564 104,147	-0.70% 12.56% -2.25% 16.28% 5.94% -33.78% 0.00%
Appropriated Fund Balance Total	22,352,006	589,073 21,410,815	445,542 21,383,859	-24.37% -0.13%
Expenditures/Uses				
General Government	2 220 70/	2 / 47 114	2 / 02 574	1.76%
Public Safety	2,239,786 4,256,621	2,647,114 4,392,052	2,693,574 4,885,780	11.24%
Human Services	4,694,945	4,609,992	4,789,112	3.89%
Economic Development	686,712	681,368	672,376	-1.32%
Culture/Recreation	1,338,987	1,378,476	1,367,762	-0.78%
Education	5,079,611	5,233,594	5,238,339	0.09%
Debt Service	3,078,929	1,488,352	1,441,210	-3.17%
Transfer to Other Funds	1,000,240	942,343	295,706	-68.62%
Contingency	-	37,524		-100.00%
Total	22,375,831	21,410,815	21,383,859	-0.13%

SUMMARY OF ALL FUNDS TOTAL REVENUES/SOURCES BY CATEGORY

				Percent
	2011-2012	2012-2013	2013-2014	Increase
Fund Type	Actual	Amended	Recommended	(Decrease)
General Fund				
Ad Valorem Taxes	14,304,200	13,942,364	13,844,892	-0.70%
Sales Taxes	2,228,718	1,929,657	2,171,942	12.56%
Intergovernmental	4,058,881	3,565,338	3,485,061	-2.25%
Permits and Fees	458,747	311,931	362,711	16.28%
Sales and Services	1,091,551	915,181	969,564	5.94%
Other Revenues	155,909	157,271	104,147	-33.78%
Transfers from Other Funds	54,000	-	-	-100.00%
Appropriated Fund Balance	-	589,073	445,542	-24.37%
Subtotal	22,352,006	21,410,815	21,383,859	-0.13%
Special Revenue Funds				
Ad Valorem Taxes	1,136,387	1,187,025	1,245,550	4.93%
Other Taxes	299,567	264,134	268,648	1.71%
Intergovernmental	136,512	924,664	-	-100.00%
Transfers - other funds	190,000	515,700	100,000	-80.61%
Appropriated Fund Balance	-	48,008	-	-100.00%
Other Revenues	1,047	14,559		0.00%
	1,763,513	2,954,090	1,614,198	-45.36%
Capital Project Funds				
Other Revenues		31,030	-	-100.00%
Transfers from Other Funds		345,057	100,000	-71.02%
Loan Proceeds		-	-	100.00%
Appropriated Fund Balance		753,165		-100.00%
	-	1,129,252	100,000	-91.14%
Enterprise Funds				
Sales and Services	790,650	781,833	846,673	8.29%
Intergovernmental	48,790	43,996	44,600	1.37%
Permits and Fees	387,603	350,000	370,000	5.71%
Other Revenues	55,117	52,133	32,000	-38.62%
Transfers - other funds	-	24,800	-	100.00%
Appropriated Fund Balance		145,101	63,839	-56.00%
	1,282,160	1,397,863	1,357,112	-2.92%
Internal Service Fund				
	1 061 204	1 066 440	1 040 200	1 600/
Other Revenues	1,061,284	1,066,440	1,048,380	-1.69%
Appropriated Fund Balance	1.0/1.204	151,000	250,537	65.92%
	1,061,284	1,217,440	1,298,917	6.69%
Total Revenues/Sources	26,458,963	28,109,460	25,754,086	-8.38%

SUMMARY OF ALL FUNDS TOTAL EXPENDITURES/USES BY FUNCTIONAL CATERGORY

				Percent
	2011-2012	2012-2013	2013-2014	Increase
Fund Type	Actual	Amended	Recommended	(Decrease)
General Fund				
General Government	2,239,786	2,647,114	2,693,574	1.76%
Public Safety	4,256,621	4,392,052	4,885,780	11.24%
Human Services	4,694,945	4,609,992	4,789,112	3.89%
Economic Development	686,712	681,368	672,376	-1.32%
Culture/Recreation	1,338,987	1,378,476	1,367,762	-0.78%
Education	5,079,611	5,233,594	5,238,339	0.09%
Debt Service	3,078,929	1,488,352	1,441,210	-3.17%
Transfers to Other Funds	1,000,240	942,343	295,706	-68.62%
Contingency	-	37,524	-	-100.0%
Subtotal	22,375,831	21,410,815	21,383,859	-0.13%
Special Revenue Funds				
General Government	_	_	_	0%
Public Safety	1,395,541	1,811,733	1,448,138	-20.07%
Economic Development	195,084	720,360	66,060	-90.83%
Transfers to Other Funds	54,000	24,800	-	-100.00%
Other	-	397,197	100,000	-74.82%
Subtotal	1,644,625	2,954,090	1,614,198	-45.36%
Capital Project Funds				
General Government		_	-	0.00%
Public Safety		66,272	-	-100.00%
Human Services		332,665	-	-100.00%
Economic Development		730,315	100,000	-86.31%
Culture/Recreation		-	, -	0.00%
Education		-	-	0.00%
Environmental Protection		=	-	0.00%
		1,129,252	100,000	-91.14%
Enterprise Fund				
Environmental Protection	1,200,196	1,326,063	1,320,612	-0.41%
General Government	30,044	71,800	36,500	-49.16%
	1,230,240	1,397,863	1,357,112	-2.92%
Internal Service Fund				
Other	1,111,673	1,217,440	1,298,917	6.69%
Total Expenditures/Uses	26,362,369	28,109,460	25,754,086	-8.38%

SUMMARY OF ALL FUNDS TOTAL EXPENDITURES/USES BY FUND

				Percent
	2011-2012	2012-2013	2013-2014	Increase
Fund Type	Actual	Amended	Recommended	(Decrease)
General Fund	22,375,831	21,410,815	21,383,859	-0.13%
Special Revenue Funds				
Tourism	58,572	74,996	66,060	-11.92%
Capital Reserve	54,000	421,997	100,000	-76.30%
Revaluation	-	-	-	0.00%
Fire Districts	1,136,387	1,187,025	1,245,550	4.93%
Grant Projects	136,512	1,045,364	-	-100.00%
911 - Communication	259,154	224,708	202,588	-9.84%
Subtotal	1,644,625	2,954,090	1,614,198	-45.36%
Capital Projects Fund				
Capital Projects		1,129,252	100,000	-91.14%
Enterprise Funds				
Solid Waste	1,200,196	1,326,063	1,320,612	-0.41%
Water	30,044	71,800	36,500	-49.16%
	1,230,240	1,397,863	1,357,112	-2.92%
Internal Service Fund				
Health Insurance	1,111,673	1,217,440	1,298,917	6.69%
Total Expenditures/Uses	26,362,369	28,109,460	25,754,086	-8.38%

BUDGET SUMMARY SOLID WASTE ENTERPRISE FUND

	2011-2012 Actual	2012-2013 Amended	2013-2014 Adopted	Percent Increase (Decrease)
Revenues/Sources			·	
Tipping Fees & Other	767,537	756,500	826,273	9.22%
Availability Fees	387,603	350,000	370,000	5.71%
Intergovernmental	48,790	43,996	44,600	1.37%
Insurance Proceeds	-	-	-	0.00%
Other Revenue	48,909	41,300	32,000	-22.52%
General Fund Appropriation	-	-	-	0.00%
Transfer In - Capital Project	-	-	-	0.00%
Appropriated Fund Balance		134,267	47,739	-64.44%
Total	1,252,839	1,326,063	1,320,612	-0.41%
Expenditures/Uses				
Salaries & Fringe Benefits	67,425	74,104	113,327	52.93%
Operating/adm Supplies	34,369	39,756	39,300	-1.15%
Employee Training	635	1,200	750	-37.50%
Maintenance & Repair	39,372	52,820	50,500	-4.39%
Waste Disposal	774,406	786,750	852,880	8.41%
Contracted Services	189,672	199,023	195,449	-1.80%
Compliance	75,747	60,000	50,000	-16.67%
Closure:				
Current Site	-	-	-	0.00%
Little MtnMaintenance	-	2,500	2,975	19.00%
Capital	3,139	94,479	-	-100.00%
Depreciation	-	-	-	0.00%
Debt Service	15,431	15,431	15,431	0.00%
Fund Balance Designated	<u> </u>		<u> </u>	0.00%
Total	1,200,196	1,326,063	1,320,612	-0.41%

BUDGET SUMMARY WATER ENTERPRISE FUND

Revenues/Sources	2011-2012 Actual	2012-2013 Amended	2013-2014 Adopted	Percent Increase (Decrease)
Revenues/ Jources				
Contributions	6,208	10,833	-	-100.00%
Water/Sewer	23,113	25,333	20,400	-19.47%
Transfer In		24,800	=	-100.00%
Fund Balance Appropriated	-	10,834	16,100	48.61%
Total	29,321	71,800	36,500	0.00%
Expenditures/Uses				
Utilities	6,932	9,100	9,100	0.00%
Repair	7,319	3,000	7,500	150.00%
Contract Service	15,793	59,700	19,900	-66.67%
Total	30,044	71,800	36,500	0.00%

Fire and Special Service Districts Ad Valorem Tax Rates

Special Tax Districts		Recommended
	FY13	FY14
District	Tax Rate	Tax Rate
Tryon FD	\$0.048	\$0.048
Columbus FD	\$0.050	\$0.050
Green Creek FD	\$0.041	\$0.041
Mill Spring FD	\$0.050	\$0.065
Saluda FD	\$0.065	\$0.075
Sunny View FD	\$0.060	\$0.060
Saluda School District	\$0.030	\$0.030
Harmon Field District	\$0.035	\$0.035

Polk County Long-term Debt

Loan Date	Final Payment	Loan Amount	Interest Rate	Description	Purpose	Balance 6/30/2013	FY14 Principal Payments	Balance 6/30/2014
2/1/2004	1/1/2034 \$	214,470	6.00%	, Searcy Property-NO Pre-pymt	Transfer Station Land-71.5 acres	182,143	4,628	177,514
3/29/2004	3/29/2019 \$	10,000,000	4.03%	Middle School Construction	New Construction	4,000,002	666,667	3,333,337
11/29/2004	11/29/2019 \$	7,400,000	4.11%	2,100,000 1,300,000	Recreation Complex Library Transfer Station Middle School Construction	3,206,663	493,333	2,713,327
9/30/2005 (This loan b	6/14/2020 \$ alance shows as \$, ,		o QZAB loan ecause we make the payments to a ho	Renovate Tryon Elementary olding account)	1,078,360	95,705	982,655
4/28/2009 Paid bala i	4/1/2024 \$ nce of debt 04/2	,,	3.91%	Senior Recreation Center	Relocate from Jervey Palmer Blg	-	-	-
12/9/2010	12/9/2025 \$	1,850,000	3.56%	DSS Building	New Construction	1,603,334	123,333	1,480,000
						10,070,502	1,383,666	8,686,833

CAPITAL OUTLAY 2013 - 2014 RECOMMENDED

DEPT	Capital Amt	Reimbursed	Net Capital <u>Expenditure</u>	DESCRIPTION
<u>DEFT</u>	Capital Allit	Kelliburseu	<u>Lxperiuiture</u>	DESCRIPTION
Administration	25,595	-	25,595	2013 Ford Explorer - replacement
Finance	1,000	-	1,000	computer replacement
Courts	1,000	-	1,000	additional lighting for District Attorney
ROD	15,000	15,000	-	enhancement funds if needed for equip breakdown
MIS	35,000	-	35,000	AS400 server replacement-not supported after Sept 2013
Sheriff	178,500	-	178,500	4 vehicles; bite suit for K-9 training; outdoor building; 6 tasers; 6 crime scene cameras; back parking lot repair
Jail	5,000	-	5,000	cooking equipment for kitchen
Animal	2,000	-	2,000	cages,poles;nets
Comm Dev	25,595	-	25,595	2013 Ford Explorer 4WD replacement
EMS	139,510	-	139,510	ambulance; Zoll cardiac monitor;scopes;pedi boards traction splints
РСТА	122,775	110,183	12,592	3 vans w/lettering, camera wiring kits;
Rec Complex	2,700	-	2,700	5' bushhog; spreader for tractor
DSS	15,000	7,950	7,050	10 computers/printers w/scanners replacement;desk scanner
Total Requested	568,675	133,133	435,542	