

# WHERE DOES THE MONEY GO?

A public hearing on the proposed Cabarrus County Fiscal Year 2005-06 budget will be held on Tuesday, June 14, 2005, at 6:00 p.m. in the Commissioners' Meeting Room at the Governmental Center, 65 Church Street, SE, Concord. Citizens are invited to attend the public hearing and give written or oral comments about the proposed budget. \*



The preliminary Cabarrus County fiscal year 2006 budget totals \$152,697,092 – an increase of \$9.7 million. The General Fund, at \$147.5 million, accounts for most county spending. A property tax increase of 10 cents is proposed to meet community demands, including new schools and a new jail, and put the county's "financial house" back in order.

### The 10-cent tax increase represents:

- New debt service – Jail interest/school bonds at a cost of \$5.29 million; tax rate equivalent: 3.9 cents
- Increase in education current expense funding at a cost of \$2.95 million; tax rate equivalent: 2.2 cents
- Increase in school capital outlay at a cost of \$372,000; tax rate equivalent: .3 cents
- 18 new law enforcement officers/increased operational cost for jail annex at a cost of \$1.06 million; tax rate equivalent: .7 cents
- Increase in public assistance (primarily Medicaid) at a cost of \$580,000; tax rate equivalent: .4 cents
- Estimated revenue shortfall for FY 05 (use of Fund Balance) at a cost of \$3.5 million; tax rate equivalent: 2.5 cents

Many of the programs funded by Cabarrus County are mandated, or required, by the state. The table below shows all General Fund spending broken down into three categories. With mandated programs, the Board of Commissioners must offer and fund the program based on state regulations. Mandated programs with discretionary dollars are required by state law but the Board has some limited ability to determine funding levels. Discretionary programs are provided and funded based solely on the will of the Board to meet the demands of the community.

<div><div><div></div><div></div><div></div></div><div>Mandated service &amp; dollars Mandated service - discretionary dollars No mandate - discretionary service &amp; dollars</div></div> <div>General Fund</div>				
County Cost = Revenues to cover costs in this category are raised locally, through Ad Valorem tax, other taxes, permits & fees, sales & services, interest on investments, miscellaneous revenues & other financing sources				
Other Cost = Costs in this category are recovered through grants and other intergovernmental revenue				
Mandated / Discretionary	Program	Total FY 2006 Budget	County Cost	Other Cost
Mandated	Social Services-Aid to the Blind	12,174	12,174	-
Mandated	Social Services-Child Day Care	5,085,519	-	5,085,519
Mandated	Social Services-Child Foster Care & Adoption Assistance	2,486,562	1,342,689	1,143,873
Mandated	Social Services-Medicaid Assistance	5,937,417	5,650,044	287,373
Mandated	Social Services-Special Assistance for Adults	1,164,456	1,164,456	-
Mandated	Separation Allowance for Law Enforcement	377,815	377,815	-
Mandated	Unemployment Compensation	71,000	71,000	-
Mandated	Other Debt Service	4,336,569	4,336,569	-
Mandated	Education-Debt Service	22,284,573	22,284,573	-
	<b>Total - Mandatory Service/Mandatory Funding</b>	<b>41,756,085</b>	<b>35,239,320</b>	<b>6,516,765</b>
Mandated	Education-Capital Outlay	2,131,599	2,131,599	-
Mandated	Education-Current Expense	35,515,688	35,515,688	-
Mandated	Commerce-Environmental Protection	194,853	194,853	-
Mandated	Commerce-Planning-Watershed Protection	26,300	26,300	-
Mandated	Soil & Water Conservation District	199,467	173,467	26,000
Mandated	Board of Commissioners	361,168	361,168	-
Mandated	Board of Elections	607,727	607,727	-
Mandated	Register of Deeds	741,030	741,030	-
Mandated	General Services - Street Sign Maintenance	113,188	113,188	-
Mandated	Finance	819,055	765,055	54,000
Mandated	Legal Dept.	302,226	302,226	-
Mandated	Tax Assessor, land records, appraisal	1,860,766	1,860,766	-
Mandated	Tax Collector Administration	656,903	656,903	-
Mandated	Social Services-Adult & Family Services	1,667,414	903,822	763,592
Mandated	Social Services-Child Support Services	1,042,943	(6,576)	1,049,519
Mandated	Social Services-Child Welfare Services	3,943,797	1,128,412	2,815,385
Mandated	Social Services-Economic Services	2,885,654	878,770	2,006,884
Mandated	Social Services-Emergency Assistance	400,746	275,465	125,281
Mandated	Transportation Services - Medicaid Transport	1,636,096 **	1,104,852	531,244
Mandated	Social Services-Administration & Other	1,948,282	1,876,573	71,709
Mandated	Contribution to Cabarrus Health Alliance	3,642,248	3,642,248	-
Mandated	Medical Examiner	50,000	50,000	-
	Piedmont Behavioral Health Care-Mental Health/Substance Abuse/Developmental Disabilities	719,450	672,000	47,450
Mandated	Commerce-Construction Standards	1,263,422	1,263,422	-
Mandated	Courts-General Services Administration	285,859	(179,141)	465,000
Mandated	Emergency Management	412,008	399,508	12,500
Mandated	EMS	3,903,166	3,903,166	-
Mandated	Jail	4,110,441	4,110,441	-
Mandated	Sheriff	7,541,570	7,254,426	287,144
	<b>Total - Mandatory Service/Discretionary Funding</b>	<b>78,983,066</b>	<b>70,727,358</b>	<b>8,255,708</b>
Discretionary	Libraries	2,359,173	2,182,173	177,000
Discretionary	Parks & Recreation	1,052,858	1,052,858	-
Discretionary	Commerce-Community & Economic Development	253,021	155,400	97,621
Discretionary	Commerce-Economic Development Incentive Grants	4,036,920	4,036,920	-
Discretionary	Commerce-Planning-Subdivision & Zoning Control	736,280	736,280	-
Discretionary	County Manager	372,395	372,395	-
	General Services-Ground Maintenance, Fleet, Admin, Building Maintenance, Facility Maintenance	4,200,990	4,200,990	-
Discretionary	Human Resources	340,048	340,048	-
Discretionary	ITS	2,103,728	2,103,728	-
Discretionary	Public Information	245,160	245,160	-
Discretionary	Aging-In-Home Services	178,304	33,748	144,556
Discretionary	Aging-Nutrition	433,168	263,468	169,700
Discretionary	Aging-Senior Services	981,895	805,013	176,882
Discretionary	Cooperative Extension	485,326	417,496	67,830
Discretionary	Social Services-Adult Day Care	60,705	7,588	53,117
Discretionary	Social Services-Community Alternatives Program(CAP)	3,863,143	3,705,708	157,435
Discretionary	Veterans Services	183,114	181,114	2,000
Discretionary	Capital Improvement Program	634,508	634,508	-
Discretionary	Cabarrus Juvenile Crime Prevention	112,896 *	112,896	-
Discretionary	Contributions to Other Funds	1,001,768	1,001,768	-
Discretionary	Non-Departmental	1,017,664	1,017,664	-
Discretionary	Other Contributions	1,333,478	1,105,701	227,777
Discretionary	Animal Control	604,821	604,821	-
Discretionary	Forestry Service	44,375	44,375	-
Discretionary	EMS - Non-emergency Transport	160,948	160,948	-
	<b>Total - Discretionary Service/Discretionary Funding</b>	<b>26,796,686</b>	<b>25,522,768</b>	<b>1,273,918</b>
<b>GRAND TOTAL - GENERAL FUND</b>		<b>147,535,837</b>	<b>131,489,446</b>	<b>16,046,391</b>

\* Additional costs included in Social Services and Mental Health budgets  
\*\* Total includes mandated as well as discretionary services

\*If REASONABLE ACCOMMODATIONS ARE NEEDED, PLEASE CONTACT THE CLERK AT (704) 920-2110 AT LEAST 48 HOURS PRIOR TO THE MEETING.

Copies of the budget are available for public inspection during regular business hours at the Clerk to the Board's office and at the Cabarrus County libraries, or log on to the Cabarrus County website at

# BUDGET MESSAGE

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May 23, 2005

Cabarrus County Board of Commissioners  
65 Church Street, Southeast  
Concord, North Carolina 28025

Honorable Chairman and Board Members,

Since my last budget message, several important events, all with budgetary implications, have occurred. I will outline those below, then describe significant budgetary issues for 2006. Next, a property tax assistance grant program will be explained and a new tool to assist in budget deliberations will be described, the Program Funding Matrix. Lastly, I'll provide a recommendation for future planning efforts.

This budget message provides a limited overview of the budget as it relates to some of the more significant issues currently facing the county. Complete summary, as well as detailed program information, is provided in the remainder of the budget document.

## *Five Important Events of Fiscal 2005*

First, voters approved \$98 million in school and community college bonds last November. The first \$50 million of those bonds were sold in February and the resulting budgetary impact for fiscal year 2006 is \$3,658,300.

Second, the Board of Commissioners selected a site in downtown Concord and approved a schematic design for a new justice center (which, among other things, includes a jail, sheriff's office and magistrate's office), projected to cost about \$60 million. The first interest payment on the debt for this project, \$1,632,650, is included in the budget.

Third, state regulators have notified the county that it must develop an interim solution to the severe overcrowding in the existing jail, since the new one will not open until late 2007 or early 2008. The Board chose the only practical solution: build a facility to house inmates that can be constructed quickly but will have value after the new jail is open.

The building will be constructed on Corban Avenue adjacent to the site of the new justice center. This jail annex will have 96 beds and cost about \$7 million to construct. Additional land for the annex is expected to cost about \$2 million and will be paid from the capital reserve. The impact on the 2006 operating

budget for staffing and other related costs is about \$1 million. The land Debt service requirements for the project will be reflected in the FY 2007 budget.

Fourth, SMG, the world's largest arena management firm, was hired to run the Cabarrus Arena and Event Center. Its mission is to eliminate operating subsidies and increase the number of events and shows held there.

Finally, the Board entered into agreements with the county's municipalities to revise its land use development standards and to institute growth management strategies. While future budgetary implications of this effort are unknown, partial mitigation of the escalating costs of unchecked residential growth are expected through a reduction in current residential development densities, the implementation of a thorough adequate public facilities ordinance and the rezoning of some land for future employment uses.

The success of this effort is largely dependent upon the municipalities, however. They can nullify the effort by unrestrained annexations and the application of higher density residential zoning that cannot be adequately supported or sustained.

## *New Demands and Obligations for Fiscal 2006*

The 2006 annual budget, accompanied by a five-year financial plan and a five-year capital improvement program (CIP), is presented for your consideration. Total spending in all funds next year is projected at \$152,596,136, up 6.7% over the current year.

The general fund accounts for most of that; at \$147,570,959, it represents an increase from 2005 of 6.9%. Overall revenue growth, projected at 3.1%, is insufficient to overcome this year's dependence on reserves and meet demands for both service and debt obligations, necessitating a property tax rate of 63 cents, an increase of 10 cents.

New spending demands (70% of which are related to public safety and education), and the corresponding effect on the property tax rate may be characterized in the following manner, as illustrated on the next page:



## BUDGET MESSAGE

	Cost	Tax Rate Equivalent*
18 law enforcement officers (full year)/increased operational cost for jail annex	\$1,006,529	\$0.007
Increase in school current expense funding	2,855,484	0.021
New debt service – Jail interest / school bonds	5,290,950	0.039
Increase in Public Assistance (primarily Medicaid)	580,039	0.004
Increase in school capital outlay	510,290	0.004
Estimated revenue shortfall for FY 05 (use of Fund Balance)	<u>3,529,422</u>	<u>0.025</u>
	\$13,772,714	\$0.100

\*rounded numbers

Costs for the jail annex and new debt service were described earlier. The nearly \$3 million increase in non-capital education expenses are related to the opening of new facilities, enrollment growth and increased maintenance costs. Overall, education spending increases nearly 11.5%.

Public assistance spending, mostly Medicaid, increases by nearly \$600,000. North Carolina is the only state in the country that requires counties to pay a portion of Medicaid costs. Cabarrus County's total Medicaid burden is expected to be \$5,937,417 in 2006, the equivalent of 4.3 cents on the tax rate.

One-quarter of the recommended tax increase, or \$3.5 million, results from the use of reserves or one-time revenues in 2005 to pay for recurring operating expenses. This practice has developed into a trend over the last few years and is known as a structural imbalance or deficit. It is the reason Cabarrus County received a "negative outlook" from Moody's Investors Service in February when \$50 million in school bonds were sold.

Fitch Ratings did not follow suit and assign the county a negative outlook, however, it did report that maintaining a positive outlook "...will hinge upon the county's return to structural balance...and the development of a comprehensive plan to address the county's significant growth-related school capital needs..."

This budget does both. First, it does not rely on reserves to fund recurring operating expenses now or anytime during the next five-year planning period, thus returning the budget to structural balance.

Second, it addresses future school construction needs in the CIP and provides a related funding strategy in the five-year financial plan. The financial plan shows the tax rate leveling off at a moderate 68 cents, providing an additional \$7.9 million for school

construction debt service in 2009 and accumulating \$13.5 million in the capital reserve fund by 2010. The unreserved fund balance during that period does not dip below 15% of general fund expenditures, consistent with Board policy.

Together, the CIP and the five-year financial plan provide a conservative, but realistic, spending plan that adequately addresses the provision of county services.

### *Property Tax Assistance Grant*

While the proposed tax rate of 63 cents is still quite moderate compared to those of the other 99 counties in North Carolina, it is recognized that some residents truly need assistance to meet their property tax obligations.

The Homestead Act, authorized by the North Carolina General Assembly, provides such assistance to some. The permanently disabled and those 65 and older with incomes of \$19,200 or less qualify for a reduction in their property tax values of \$20,000, or 50% of the total value, whichever is greater. A committee composed of several staff members (including some who work with low-income residents), a representative from the county's aging advisory board and representatives from three local non-profit organizations that assist low- to moderate income residents, was formed to study this matter.

After some research and review, the committee recommended establishing a grant program that will extend the benefits of the Homestead Act to all county homeowners who meet its income guideline, but limiting the grant formula to a maximum reduction in property tax value of \$75,000. The grant would most likely be in the form of a voucher. A more detailed description of the property tax assistance grant program will be provided for the Board's review during budget work sessions.



## BUDGET MESSAGE

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### *A new way of looking at the budget: The Program Funding Matrix*

To more clearly illustrate the county's funding obligations and options, a new item has been included in the 2006 budget – a program funding matrix, found on page 37. This matrix divides county programs into three categories:

1. **State mandated programs with mandated funding levels.** These programs account for \$41.76 million of general fund spending, \$35.5 million of which is provided from local county dollars.
2. **State mandated programs with discretionary funding levels.** These programs total \$79 million. Locally-raised dollars fund all but \$8.2 million of these programs.
3. **Discretionary programs with discretionary funding levels.** The tab for these non-mandated services is \$26.6 million, \$25.2 million of which is raised locally.

The program funding matrix is presented in two formats; one is sorted by funding requirements, the other by major function (e.g., general government, public safety, etc.).

### *Future Planning Efforts: Forming a vision and developing a realistic plan to get there*

The nature of American government makes one of the most important tasks it faces also one of the most difficult, i.e., developing and implementing a strategic plan. Because of Board membership changes and public pressures, it is exceedingly difficult to develop a shared vision for the county and a realistic plan for achieving it. Execution of such a plan is perhaps even more unlikely than its initial formulation, for that is when corresponding funding decisions must be made and revenues raised.

Despite the difficulty involved, I recommend the Board embark on such an effort soon after the budget is adopted. I think the opportunity for success will be heightened by the completion of the budget process and the resolution of some pending issues (e.g., land use regulations, temporary jail facility) described earlier.

I wish to thank the many people who contributed to preparation of this document. The department directors, both elected and appointed, as well as their staffs, worked diligently in preparing their budget requests.

The members of the Finance Department all play important roles, especially budget director Ginger Barrett and her assistant Becky Crabtree, who produced this excellent document. Special thanks to deputy county managers Mike Downs and Pam Dubois, who did a wonderful job of overseeing the resource allocation portion of the budget preparation process.

Finally, I offer a heartfelt thanks to the Board of Commissioners for allowing me to serve as the county's chief executive. It is both a pleasure and an honor.

Respectfully submitted,

John Day  
County Manager

## BUDGET SUMMARY

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Cabarrus County appropriates budgets for the following funds: General Fund, Solid Waste Management (Landfill) Fund, the Arena and Events Center Fund and the Tourism Fund. Information found in this section is presented on a summary level – details are provided on the Program Summary pages within the various service area sections of this document.

The FY 2006 budget totals \$152,596,136. This total represents an increase of \$9.6 million, or 6.7% above the FY 2005 budget as amended.

General Fund expenditures are budgeted at \$147,570,959 a 6.9% increase over the FY 05 amended budget.

The Solid Waste Management (Landfill) Fund budget totals \$1,249,869, which represents an increase of 25.2% above current year.

Expenditures in the Arena and Events Center Fund are expected to increase by approximately 0.6% to \$2,774,502.

Tourism Fund budgeted expenditures are projected to decrease approximately 13.1% to \$1,000,806.

### REVENUE SUMMARY

The County receives revenues from several sources. These various sources have been grouped into eight categories

#### Ad Valorem (Property) Taxes

Ad valorem (property) tax revenue has been based on a tax rate of \$0.63 per \$100 of assessed valuation, a ten-cent increase above the FY 2005 tax rate.

Total taxable property, excluding motor vehicles, is \$13,015,148,053, an increase of 2.6%. Motor vehicle taxable value increased 6.7% to \$1,189,845,287.

North Carolina General Statutes require that estimated percentage of property tax collections cannot exceed the percentage of tax levy actually realized in cash for the preceding fiscal year. Based on that requirement, a collection rate of 96.53% was applied to tax calculations. Property tax, excluding motor vehicles, is estimated at \$79,150,191 or 21% over FY 2005. Motor vehicle taxes have been budgeted at \$7,235,913, or 25.8% above FY 2005.

Other revenue items included in this category include delinquent taxes and tax interest. Total revenues in this category have been budgeted at \$88,238,854, which represents a 21.2% increase above the current budget.

All ad valorem budget estimates are based on actual value, along with current and prior year actual collections. Ad valorem taxes are budgeted only in the General Fund. Ad valorem revenues account for 57.8% of total revenue in the FY 2006 budget.

#### Other Taxes

Other taxes consists primarily of sales taxes, but also includes cable franchise fees, gross receipts tax, disposal tax on white goods, and occupancy tax. Sales taxes are collected by the State and then returned to the county, less a collection fee, which is deducted before allocations are made. There are four separate sales taxes. The proceeds of the 1% sales tax (Article 39) collected in Cabarrus County are all returned to the county (i.e., based on point-of-sale). The proceeds of the two ½% sales taxes (Article 40 and Article 42), on the other hand, are allocated among all the state's counties based on the portion of the state's total population that resides there. The Board enacted a "Third One-Half Cent (1/2 cent) Tax, Article 44, effective July 1, 2003. Article 44 does not apply to sales on food for home consumption. Legislation enacting Article 44 also provided for a hold harmless provision for those local governments whose expected Article 44 receipts do not replace their repealed state reimbursements. Total sales tax is budgeted at \$28.1 million, a 13.1% increase above FY 05. Sales tax revenues have been increasing as the economic climate improves. Overall, this category equals \$29,655,506, an increase of 13.1% over FY 2005.

Sales taxes, franchise fee and gross receipts tax are budgeted in the General Fund. White good disposal taxes are found in the Landfill Fund and occupancy taxes in the Tourism Fund. All budget estimates are based on current and prior year actual collections. Total other taxes comprise 19.4% of total revenues.

#### Intergovernmental Revenues

This category represents 10.4% of total revenues and consists primarily of state and federal grants for human services activities, but also includes other state and federal grants, and other governmental revenues not related to grants. The FY 2006 budget of \$15,805,640 reflects a 3.2% decrease from the current fiscal year budget. Human Service grants account for \$14.1 million, other grants have been budgeted at \$1.2 million, and other governmental revenues not related to grants total \$0.5 million

The largest revenue source in this category is state and federal assistance for the Department of Social Services. Currently, all Intergovernmental Revenues are budgeted in the General Fund.



# BUDGET SUMMARY

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## Permits and Fees

Permit and fee revenues are anticipated to rise 14.2%, to \$5,099,450. Revenue generated within this category is primarily attributable to two sources: Register of Deeds fees for the recording and dissemination of records (\$2.4 million) and Construction Standards building inspection fees (\$2.5 million). Several smaller fees make up the remainder. \$17,500 is budgeted in the Landfill Fund for Solid Waste Franchise fees. The balance is within the General Fund. All budget estimates are based on prior and current year actuals. This category accounts for 3.3% of total revenues.

## Sales and Service

Sales and Service revenues are derived from a wide variety of sources. They represent fees collected by various departments for goods and services rendered by them to the public, other departments of the government, or to other governments. Illustrative items within this category include landfill tipping fees, arena rental fees, advertising fees and Pit Pass sales, various recreation program participation fees (including the County Fair) and Medicaid case management reimbursement. Revenue in this category is projected to increase a modest 1.7% above the amended FY 2005 budget. Total FY 2006 revenues are budgeted at \$11.9 million, or 7.8% of total budget. These revenues are found in all funds, and have been estimated based on prior and current year actuals.

## Investment Earnings

Investment earnings are revenues earned on idle money held by the County for investment. Total investment income is expected to increase 40% above FY 2005 budgeted levels to \$714,000 or 0.5% of the total budget. This increase is attributed to larger balances available for investment than were anticipated for FY 2005, coupled with a greater rate of return.

## Miscellaneous

Miscellaneous revenues are those that are collected for various activities of the County that are not specific in nature or do not easily fit into another category. Included in this category are donations, grants from non-governmental entities, and the sale

of fixed assets. The FY 2006 budget for miscellaneous revenues totals \$80,860 or 0.05% of total budget. This budget is typically amended during the fiscal year to appropriate donations and grants as they are received. While the FY 2005 budget contained \$1.2 million for the sale of fixed assets, the FY 2006 budget makes no provision for the sale of any assets.

## Other Financing Sources

Other Financing Sources total \$1,059,309 or approximately 0.7% of the budget. Typically, this category includes interfund transfers and fund balance appropriations. In the General Fund, no revenues are projected in this category. The Landfill Fund budget anticipates Fund Balance appropriations of \$232,369 in support of a Capital Improvement Program project to construct a new maintenance facility at the Construction and Demolition Debris site. The Arena Fund receives a contribution of \$100,000 from the Tourism Fund, and \$726,940 from the General Fund.

## Fund Balance

Fund balance is generally defined as the difference between a fund's assets and liabilities. An adequate fund balance is necessary for numerous reasons, such as to have funds available in case of an emergency or unexpected event, to maintain or enhance the County's financial position and related bond rating, to provide cash for operations prior to receipt of property tax revenues, and to maximize investment earnings. Not all fund balance is available for appropriation. State statutes define the available amount as "cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts" in Chapter 159-8. Fund balance may be reserved for specific uses, such as in special revenue funds where fund balance may only be used for a previously designated purpose. On June 14, 2005 the Board of Commissioners formally adopted a policy defining acceptable uses and establishing levels of undesignated fund balance within the General Fund (see *Introduction* Section of this document). Estimated unreserved fund balance at June 30, 2005 is expected to be 20.1% of general fund expenditures. For fiscal year 2006, no use of fund balance is planned in the General Fund. The following page shows FY 2006 fund balance information for all appropriated funds.

## BUDGET SUMMARY

### Changes in Unreserved Fund Balance

Fund	Estimated Fund Balance 6/30/05	Revenue	Transfers In	Transfers Out	Expenditures	Projected Fund Balance 6/30/06	Changes in Fund Balance
General	27,029,283	147,570,959	0	4,868,753	142,702,206	27,029,283	0

Fund	Estimated Fund Balance 6/30/05	Revenue	Transfers In	Transfers Out	Expenditures	Projected Fund Balance 6/30/06	Changes in Fund Balance
Landfill	2,000,752	1,017,500	0	0	1,249,869	1,768,383	(232,369)

Fund	Estimated Fund Balance 6/30/05	Revenue	Transfers In	Transfers Out	Expenditures	Projected Fund Balance 6/30/06	Changes in Fund Balance
Arena	363,918	1,947,562	826,940	0	2,774,502	363,918	0

Fund	Estimated Fund Balance 6/30/05	Revenue	Transfers In	Transfers Out	Expenditures	Projected Fund Balance 6/30/06	Changes in Fund Balance
Tourism	781,292	1,000,806	0	100,000	900,806	781,292	0



# BUDGET SUMMARY

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## EXPENDITURE SUMMARY

FY 2006 expenditures total \$152,596,136 a 6.7% increase above amended FY 2005 budgeted levels. Expenditures are budgeted over nine (9) major service areas or functions: General Government, Culture and Recreation, Public Safety, Economic and Physical Development, Environmental Protection, Human Services, Education/School Debt, Other Debt Service, and Other Programs.

In accordance with the existing Cabarrus County Personnel Management Policy, wages were recommended to increase by 3%, based on the Consumer Price Index (CPI) as published for December 2004. However, in view of the \$0.10 tax rate increase, the Board suspended policy and adopted a 2% COLA for all employees. Health insurance rates were left stable. While fixed costs for administration of the medical plan increased, they were offset by reductions in claims per employee.

### General Government

The General Government Service area accounts for services provided by the County for the benefit of the public and the governmental body as a whole. This service area encompasses the Board of Commissioners, Legal Department, County Manager, Public Information, Human Resources, Tax Collection and Administration, Board of Elections, Register of Deeds, Finance, Information Services, and General Services. Spending in this service area is expected to increase 2.5% above FY 2005 amended levels to \$12,624,828. General Government spending comprises 8.3% of the total budget.

### Culture & Recreation

Culture and Recreation expenditures are those that provide County residents with opportunities and facilities for cultural, recreational and educational programs. These programs include County libraries, Parks and Recreation, the County Fair and the Arena & Events Center. A FY 2006 budget of \$6,164,849 represents a 1.2% increase above amended FY 2005 levels. The budget for Culture and Recreation equals 4% of total spending.

### Public Safety

Public Safety spending funds services responsible for the safety and security of the public. Included in the Public Safety service area are the County Sheriff, Jail, Animal Control, Courts, Construction Standards, Emergency Management, Emergency Medical Services, and Non Emergency Transportation. Budgeted expenditures for FY 2006 total \$17,846,467 or a 1.7% increase beyond funded FY 2005 levels.

Public Safety spending equates to approximately 12% of the budget for the upcoming fiscal year.

### Economic and Physical Development

Expenditures in the Economic and Physical Development service area provide for the orderly planning of growth and development within the County, along with incentives to drive economic growth. Programs within the Economic and Physical Development service area budget include: Commerce, Community Development, Environmental Protection, Zoning Administration, Economic Development Incentives and Tourism. Spending within this service area is projected to decrease approximately 12% to \$6,212,730. This decrease is primarily due to the fulfillment of economic development incentive obligations. This budget accounts for approximately 4.1% of total funding for FY 2006.

### Human Services

Human Services expenditures are those with a purpose of promoting the general health and well being of the individuals within a community. Budgeted at approximately \$35 million, this budget accounts for nearly 23% of the proposed spending in FY 2006. This spending level represents an increase of 6.5% above current year amended totals. The Human Services service area incorporates Veterans Services, Transportation, Cooperative Extension Service, Mental Health, Social Services and Aging.

### Environmental Protection

Environmental Protection services provide for environmental safety and quality. While spending is increasing 20% to \$1,470,735 this service area accounts for only approximately 1% of the total budget.

### Education / School Debt

By far the largest service area within the budget is Education / School Debt. This service area funds two public school systems and one community college. It also funds debt associated with the acquisition and construction of capital assets for the school systems and the community college. Total spending within this function is budgeted at \$60.7 million, which represents 39.8% of all budgeted FY 2006 spending. This funding level represents an increase of 12.9% above current year funding.





## BUDGET SUMMARY

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### Other Programs

Other programs spending includes expenditures that are not attributable to one particular department or service, contributions to other agencies, contributions to other funds and capital improvement funding. The FY 2006 budget for Other Programs is proposed to decrease by approximately 11% to \$8.2 million. This service area accounts for 5.5% of FY 2006 funding.

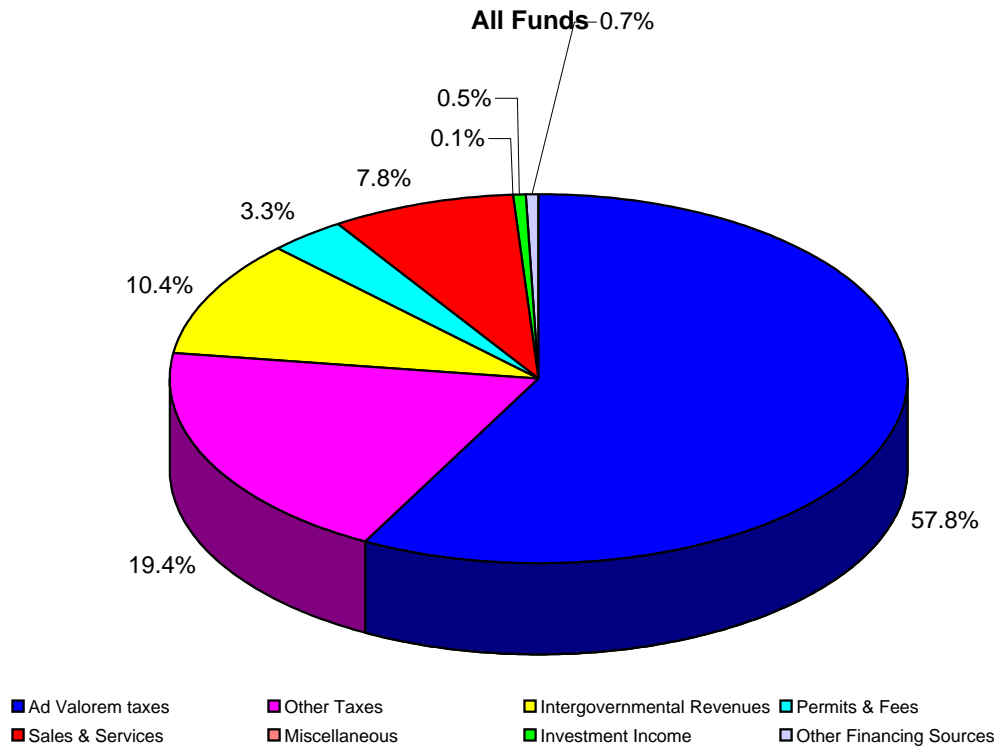
Please note that the Budget Ordinance for “Other Programs” includes only those items under the “non-Departmental” heading. Capital Improvement Projects, Contributions to Other Funds, and Contributions to Other Agencies were all included within the “General Government” function for Ordinance purposes.

### Other Debt Service

Other Debt Service funds principal and interest payments on debt, other than school debt, for the acquisition and construction of capital assets. Funding of \$4.3 million represents 2.8% of the FY 2006 budget, and is a 55% increase above the current amended budget.

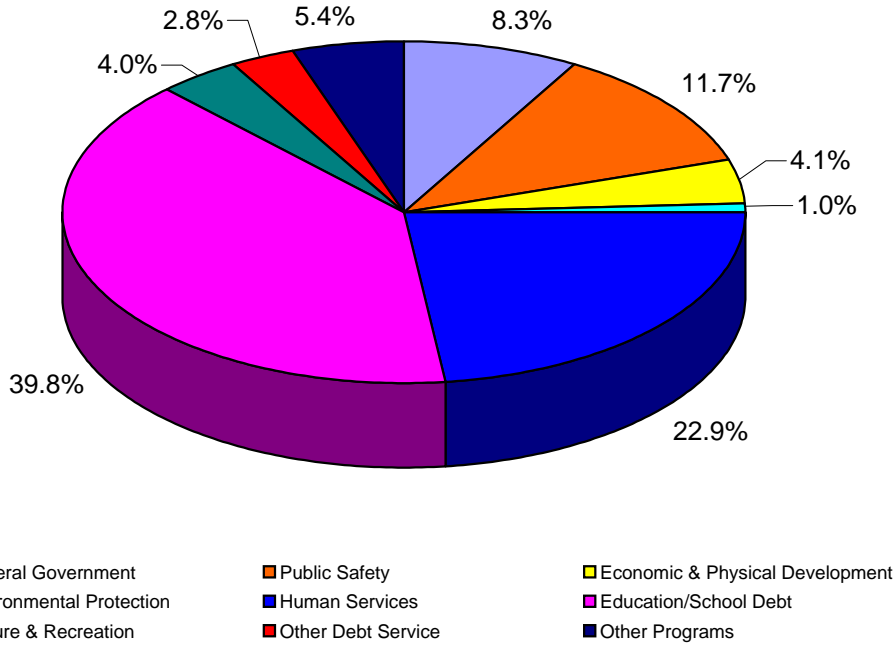


### FY 2006 REVENUES BY SOURCE



AD VALOREM TAXES: Revenues derived from property tax	\$ 88,238,854
OTHER TAXES: Tax revenues distributed to the County that are collected for sales taxes, cable franchise fees, etc.	29,655,506
INTERGOVERNMENTAL REVENUES: State and federal grant moneys received in support of County programs, and revenues collected from other governmental units that are not grant related	15,805,640
PERMITS & FEES: Fees collected for various services or privileges performed or approved by governmental unit	5,099,450
SALES & SERVICES: Fees collected by various departments for goods or services rendered by them to the public, other departments, or other governments	11,942,517
INVESTMENT INCOME: Revenues earned on idle moneys held by the County for investment	714,000
MISCELLANEOUS: Revenue collected for various activities of the County that are not specific in nature	80,860
OTHER FUNDING SOURCES: Includes interfund transfers and fund balance appropriations	<u>1,059,309</u>
TOTAL REVENUE	\$ 152,596,136

**FY 2006 EXPENDITURES BY SERVICE AREA**  
All Funds



GENERAL GOVERNMENT: Services provided by the County for the benefit of the public and governmental body as a whole	\$	12,624,828
PUBLIC SAFETY: Service provided by the County for the safety and security of the public		17,846,467
ECONOMIC & PHYSICAL DEVELOPMENT: Services that provide for the orderly planning of growth and development within the County, along with efforts to drive economic growth		6,212,730
ENVIRONMENTAL PROTECTION: Services that provide for environmental quality and safety		1,470,735
HUMAN SERVICES: Expenditures with the purpose of promoting the general health and well being of the individuals within the community		35,004,805
EDUCATION/SCHOOL DEBT: Funds two (2) public school systems and one (1) community college. Also funds debt associated with the acquisition and construction of capital assets for the school systems and community college		60,704,954
CULTURE & RECREATION: Expenditures to provide County residents opportunities and facilities for cultural, recreational and educational programs		6,164,849
OTHER DEBT SERVICE: Funds principal and interest payments on debt (other than school debt) for the acquisition and construction of capital assets		4,336,569
OTHER PROGRAMS: Expenditures that are not attributable to one particular department or service, contributions to other agencies, contributions to other funds and capital improvement funding		<u>8,230,199</u>
TOTAL EXPENDITURES	\$	152,596,136

## BUDGET SUMMARY

<i>DESCRIPTION</i>	<i>FY 04 Actual</i>	<i>FY 05 Amended</i>	<i>FY 06 Adopted</i>	<i>% Change</i>
Total Ad Valorem Taxes	65,795,359	72,789,573	88,238,854	21.2%
Total Other Taxes	24,905,209	25,240,420	28,630,000	13.4%
Total Intergovernmental Grants -Human Service	13,514,959	13,715,614	14,083,669	2.7%
Total Intergovernmental-Other	1,576,790	2,616,198	1,721,971	-34.2%
Total Permits & Fees	4,771,654	4,468,358	5,081,950	13.7%
Total Sales & Services	8,444,623	8,997,955	9,035,655	0.4%
Total Investment Income	583,180	500,000	700,000	40.0%
Total Miscellaneous	859,815	1,470,784	78,860	-94.6%
Total Other Financing Sources	54,920,410	8,263,747	-	-100.0%
<b>TOTAL REVENUE - GENERAL FUND</b>	<b>176,456,509</b>	<b>140,181,347</b>	<b>147,570,959</b>	<b>5.3%</b>

<i>DESCRIPTION</i>	<i>FY 04 Actual</i>	<i>FY 05 Amended</i>	<i>FY 06 Adopted</i>	<i>% Change</i>
Total Other Taxes	51,720	55,000	55,000	0.0%
Total Intergovernmental Grants -Other	27,545	-	-	-
Total Permits & Fees	16,502	17,500	17,500	0.0%
Total Sales & Service	794,553	925,556	945,000	2.1%
Total Interest on Investments	69,476	-	-	-
Total Miscellaneous	(12)	-	-	-
Total Other Funding Sources	590	-	232,369	100.0%
<b>TOTAL REVENUE-LANDFILL FUND</b>	<b>960,373</b>	<b>998,056</b>	<b>1,249,869</b>	<b>25.2%</b>

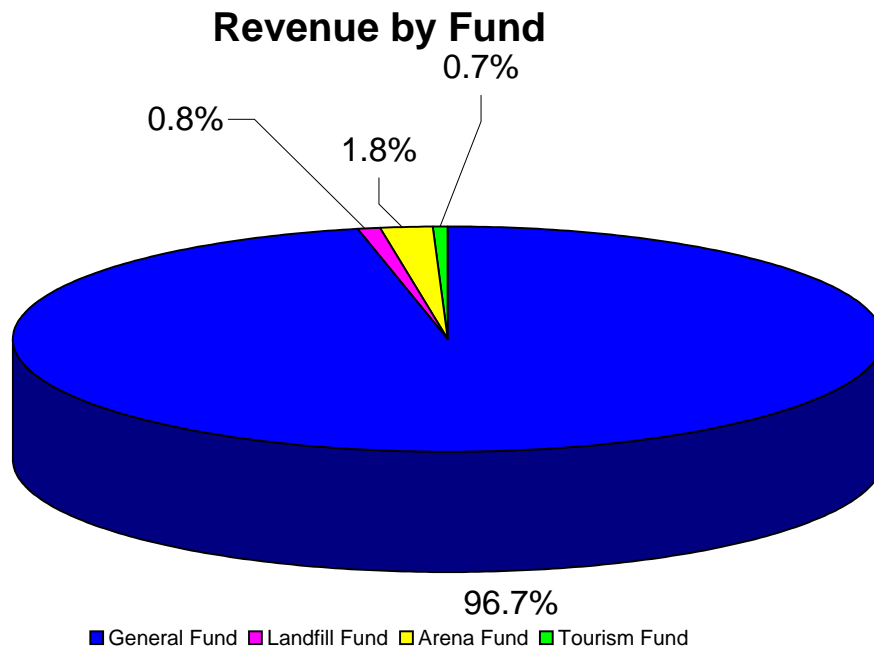
<i>DESCRIPTION</i>	<i>FY 04 Actual</i>	<i>FY 05 Amended</i>	<i>FY 06 Adopted</i>	<i>% Change</i>
Total Sales & Service	1,689,422	1,782,370	1,941,062	8.9%
Total Interest on Investments	4,379	1,800	5,000	177.8%
Total Miscellaneous	27,255	450	1,500	233.3%
Total Other Funding Sources	998,913	973,737	826,940	-15.1%
<b>TOTAL REVENUE-ARENA FUND</b>	<b>2,719,969</b>	<b>2,758,357</b>	<b>2,774,502</b>	<b>0.6%</b>

<i>DESCRIPTION</i>	<i>FY 04 Actual</i>	<i>FY 05 Amended</i>	<i>FY 06 Adopted</i>	<i>% Change</i>
Total Other Taxes	881,194	915,571	970,506	6.0%
Total Sales & Service	31,480	24,700	20,800	-15.8%
Total Interest on Investments	12,873	9,000	9,000	0.0%
Total Miscellaneous	-	-	500	-
Total Other Funding Sources	-	202,000	-	-100.0%
<b>TOTAL TOURISM FUND</b>	<b>925,548</b>	<b>1,151,271</b>	<b>1,000,806</b>	<b>-13.1%</b>



## BUDGET SUMMARY

Revenue Classification	FY 2004	FY 2005	FY 2006				TOTAL
	Actual	Amended Budget	General Fund	Landfill Fund	Arena Fund	Tourism Fund	
Ad Valorem taxes	\$ 65,795,359	\$ 72,789,573	\$ 88,238,854				\$ 88,238,854
Other Taxes	25,838,123	26,210,991	28,630,000	55,000		970,506	29,655,506
Intergovernmental Revenues	15,119,294	16,331,812	15,805,640	-			15,805,640
Permits & Fees	4,788,156	4,485,858	5,081,950	17,500			5,099,450
Sales & Services	10,960,078	11,730,581	9,035,655	945,000	1,941,062	20,800	11,942,517
Miscellaneous	887,058	1,471,234	78,860	-	1,500	500	80,860
Investment Income	669,908	510,800	700,000	-	5,000	9,000	714,000
Other Financing Sources	55,919,913	9,439,484	-	232,369	826,940		1,059,309
<b>TOTAL REVENUE</b>	<b>\$ 179,977,890</b>	<b>\$ 142,970,333</b>	<b>\$ 147,570,959</b>	<b>\$ 1,249,869</b>	<b>\$ 2,774,502</b>	<b>\$ 1,000,806</b>	<b>\$ 152,596,136</b>



**SUMMARY OF EXPENDITURES BY SERVICE AREA**  
**ALL FUNDS**

	<b>Actual FY 04</b>	<b>Amended FY 05</b>	<b>Adopted FY 06</b>	<b>Percent Change</b>	<b>Percent of Total</b>
<b><u>General Government</u></b>					
Board of Commissioners	514,742	362,808	353,641	-2.53%	0.23%
Legal Department	0	371,875	301,348	-18.97%	0.20%
County Manager	316,005	364,192	371,223	1.93%	0.24%
Public Information	0	225,067	206,301	-8.34%	0.14%
Human Resources	276,077	345,135	331,544	-3.94%	0.22%
Revenue Collections	610,438	613,305	648,866	5.80%	0.43%
Tax Administration	1,808,354	1,743,989	1,847,546	5.94%	1.21%
Board of Elections	297,774	600,468	601,565	0.18%	0.39%
Register of Deeds	708,168	751,192	737,076	-1.88%	0.48%
Finance	757,317	758,806	818,284	7.84%	0.54%
Information Services - Administration	774,005	687,864	678,370	-1.38%	0.44%
Information Services - Systems	990,421	917,689	1,075,568	17.20%	0.70%
Geographic Information Services	286,256	293,632	334,401	13.88%	0.22%
Grounds Maintenance	817,736	836,630	817,375	-2.30%	0.54%
General Services Administration	2,564,457	3,178,843	3,189,963	0.35%	2.09%
Fleet Maintenance	236,304	261,782	311,757	19.09%	0.20%
<b>TOTAL</b>	<b>10,958,054</b>	<b>12,313,277</b>	<b>12,624,828</b>	<b>2.53%</b>	<b>8.27%</b>
<b><u>Cultural &amp; Recreational</u></b>					
Cannon Memorial Library	2,324,678	2,443,059	2,323,444	-4.90%	1.52%
Recreation Administration/Parks	1,029,720	892,058	1,066,903	19.60%	0.70%
County Fair	466,394	453,617	444,422	-2.03%	0.29%
Arena & Events Center	2,083,896	2,304,740	2,330,080	1.10%	1.53%
<b>TOTAL</b>	<b>5,904,688</b>	<b>6,093,474</b>	<b>6,164,849</b>	<b>1.17%</b>	<b>4.04%</b>
<b><u>Public Safety</u></b>					
County Sheriff	6,336,182	7,215,783	7,172,176	-0.60%	4.70%
Jail	2,836,316	3,403,912	4,016,481	18.00%	2.63%
Animal Control	578,258	576,595	598,756	3.84%	0.39%
Courts	193,281	238,977	285,512	19.47%	0.19%
Construction Standards	1,039,492	1,111,691	1,266,162	13.90%	0.83%
Emergency Management	840,457	924,957	412,392	-55.42%	0.27%
Emergency Medical Services	3,734,476	3,845,703	3,935,315	2.33%	2.58%
Non Emergency Transportation	74,820	227,234	159,673	-29.73%	0.10%
<b>TOTAL</b>	<b>15,633,282</b>	<b>17,544,852</b>	<b>17,846,467</b>	<b>1.72%</b>	<b>11.70%</b>
<b><u>Economic &amp; Physical Development</u></b>					
Commerce	422,214	542,378	546,591	0.78%	0.36%
Community Development	272,467	280,971	254,024	-9.59%	0.17%
Environmental Protection	181,413	182,233	194,900	6.95%	0.13%
Zoning Administration	162,177	168,030	179,489	6.82%	0.12%
Economic Development Incentive	4,770,477	4,737,922	4,036,920	-14.80%	2.65%
Tourism	816,714	1,151,271	1,000,806	-13.07%	0.66%
<b>TOTAL</b>	<b>6,625,462</b>	<b>7,062,805</b>	<b>6,212,730</b>	<b>-12.04%</b>	<b>4.07%</b>

	<b>Actual FY 04</b>	<b>Amended FY 05</b>	<b>Adopted FY 06</b>	<b>Percent Change</b>	<b>Percent of Total</b>
<b>Human Services</b>					
Veterans Service	120,497	127,039	180,093	41.76%	0.12%
Transportation	1,611,452	1,487,770	1,656,471	11.34%	1.09%
Cooperative Extension Service	515,206	592,362	483,864	-18.32%	0.32%
Mental Health	877,591	713,671	714,474	0.11%	0.47%
Social Services	26,806,316	28,473,623	30,414,938	6.82%	19.93%
Aging	1,220,404	1,489,873	1,554,965	4.37%	1.02%
<b>TOTAL</b>	<b>31,151,465</b>	<b>32,884,338</b>	<b>35,004,805</b>	<b>6.45%</b>	<b>22.94%</b>
<b><u>Environmental Protection</u></b>					
SWCD-Watershed	176,748	228,063	220,866	-3.16%	0.14%
Solid Waste Management	981,478	998,056	1,249,869	25.23%	0.82%
<b>TOTAL</b>	<b>1,158,226</b>	<b>1,226,119</b>	<b>1,470,735</b>	<b>19.95%</b>	<b>0.96%</b>
<b><u>Education/School Debt</u></b>					
Schools, Current Expense	29,721,718	31,517,835	34,676,399	10.02%	22.72%
Schools, Capital Outlay	1,476,000	1,759,604	2,408,582	36.88%	1.58%
School Debt/Principal and Interest	16,700,350	19,120,544	21,373,769	11.78%	14.01%
RCCC/Current Expense	913,940	988,669	1,335,400	35.07%	0.88%
RCCC/Capital Outlay	0	138,688	0	-100.00%	0.00%
RCCC/Principal and Interest	177,166	268,226	910,804	239.57%	0.60%
<b>TOTAL</b>	<b>48,989,174</b>	<b>53,793,566</b>	<b>60,704,954</b>	<b>12.85%</b>	<b>39.78%</b>
<b><u>Other Programs</u></b>					
Non-Departmental	431,453	938,597	1,147,428	22.25%	0.75%
Capital Improvement Projects	164,271	333,736	634,508	90.12%	0.42%
Contributions to Other Funds	5,307,091	6,493,498	4,868,753	-25.02%	3.19%
Contributions to Other Agencies	2,401,074	1,496,274	1,579,510	5.56%	1.04%
Bond Refinancing	53,568,917	0	0	-	-
<b>TOTAL</b>	<b>61,872,806</b>	<b>9,262,105</b>	<b>8,230,199</b>	<b>-11.14%</b>	<b>5.39%</b>
<b><u>Other Debt Service</u></b>					
Principal and Interest	2,951,733	2,789,796	4,336,569	55.44%	2.84%
<b>TOTAL</b>	<b>2,951,733</b>	<b>2,789,796</b>	<b>4,336,569</b>	<b>55.44%</b>	<b>2.84%</b>
<b>GRAND TOTAL</b>	<b>185,244,890</b>	<b>142,970,332</b>	<b>152,596,136</b>	<b>6.73%</b>	<b>100.00%</b>

## PROGRAM FUNDING MATRIX

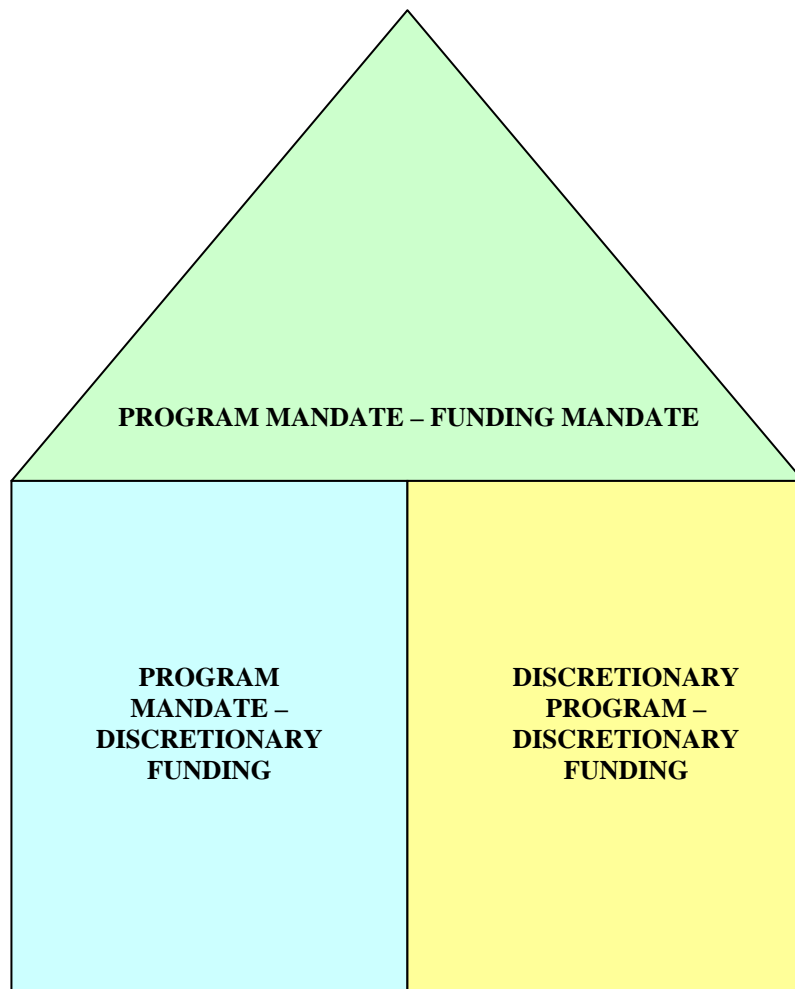
The matrix found on the following pages categorizes each County program (General Fund only) according to service and funding requirements.

*Mandated programs with required funding levels are shown in green.*

*Mandated programs with discretionary funding levels are shown in blue.*

*Discretionary programs with discretionary funding are shown in yellow.*

Information is presented in two formats: by funding requirement category (mandatory/discretionary) and by major function. The major function matrix also includes sources of funding and calculation of net tax rate equivalent for each program.





# GENERAL FUND PROGRAM FUNDING MATRIX

<div style="display: flex; align-items: center; gap: 10px;"> <div style="width: 20px; height: 15px; background-color: #d4edda; border: 1px solid #c3e6cb;"></div> Mandated service &amp; dollars </div> <div style="display: flex; align-items: center; gap: 10px;"> <div style="width: 20px; height: 15px; background-color: #d1ecf1; border: 1px solid #bee5eb;"></div> Mandated service - discretionary dollars </div> <div style="display: flex; align-items: center; gap: 10px;"> <div style="width: 20px; height: 15px; background-color: #fff3cd; border: 1px solid #ffeeba;"></div> No mandate - discretionary service &amp; dollars </div>				
Mandated / Discretionary	Program	FY 2006 Total Cost	County Cost	Other Cost
Mandated	Social Services-Aid to the Blind	12,174	12,174	0
Mandated	Social Services-Child Day Care	5,085,519	-	5,085,519
Mandated	Social Services-Child Foster Care & Adoption Assistance	2,486,562	1,342,689	1,143,873
Mandated	Social Services-Medicaid Assistance	5,937,417	5,937,417	0
Mandated	Social Services-Special Assistance for Adults	1,164,456	1,164,456	0
Mandated	Education-Debt Service	22,284,573	22,284,573	0
Mandated	Separation Allowance for Law Enforcement	377,815	377,815	0
Mandated	Unemployment Compensation	71,000	71,000	0
Mandated	Other Debt Service	4,336,569	4,336,569	0
	<b>Total Mandatory Service/Mandatory Funding</b>	<b>41,756,085</b>	<b>35,526,693</b>	<b>6,229,392</b>
Mandated	Register of Deeds	737,076	737,076	0
Mandated	Board of Commissioners	353,641	353,641	0
Mandated	Board of Elections	601,565	601,565	0
Mandated	General Services - Street Sign Maintenance	112,754	112,754	0
Mandated	Finance	818,284	818,284	0
Mandated	Legal Dept.	301,348	301,348	0
Mandated	Tax Assessor, land records, appraisal	1,847,546	1,847,546	0
Mandated	Tax Collector Administration	648,866	648,866	0
Mandated	Commerce-Construction Standards	1,266,162	1,266,162	0
Mandated	Courts-General Services Administration	285,512	(179,488)	465,000
Mandated	Emergency Management	412,392	412,392	0
Mandated	EMS	3,935,315	3,935,315	0
Mandated	Jail	4,016,481	4,016,481	0
Mandated	Sheriff	7,172,176	6,885,032	287,144
Mandated	Commerce-Environmental Protection	194,900	194,900	0
Mandated	Social Services-Administration & Other	1,911,893	1,840,184	71,709
Mandated	Social Services-Adult & Family Services	1,654,237	890,645	763,592
Mandated	Social Services-Child Support Services	1,037,527	(11,992)	1,049,519
Mandated	Social Services-Child Welfare Services	3,911,888	1,096,503	2,815,385
Mandated	Social Services-Economic Services	2,871,117	864,233	2,006,884
Mandated	Social Services-Emergency Assistance	400,746	275,465	125,281
Mandated	Transportation Services - Medicaid Transport	1,656,471 *	1,125,227	531,244
Mandated	Soil & Water Conservation District-Watershed Protection	26,300	26,300	0
Mandated	Soil & Water Conservation District	194,566	168,566	26,000
Mandated	Education-Capital Outlay	2,408,582	2,408,582	0
Mandated	Education-Current Expense	36,011,799	36,011,799	0
Mandated	Contribution to Cabarrus Health Alliance	3,626,248	3,626,248	0
Mandated	Medical Examiner	50,000	50,000	0
Mandated	Piedmont Behavioral Health Care-Mental Health/Substance Abuse/Developmental Disabilities	714,474	667,024	47,450
	<b>Total Mandatory Service/Discretionary Funding</b>	<b>79,179,866</b>	<b>70,990,658</b>	<b>8,189,208</b>

# GENERAL FUND PROGRAM FUNDING MATRIX

<b>Mandated / Discretionary</b>	<b>Program</b>	<b>FY 2006 Total Cost</b>	<b>County Cost</b>	<b>Other Cost</b>
Discretionary	Aging-In-Home Services	174,316	29,760	144,556
Discretionary	Aging-Nutrition	409,975	240,275	169,700
Discretionary	Aging-Senior Services	970,674	793,792	176,882
Discretionary	Animal Control	598,756	598,756	0
Discretionary	Cabarrus Juvenile Crime Prevention-Project Challenge	64,703	(3,416)	68,119
Discretionary	Cabarrus Juvenile Crime Prevention-Teen Court	46,458	2,031	44,427
Discretionary	Capital Improvement Program	634,508	634,508	0
Discretionary	Commerce-Community & Economic Development	254,024	156,403	97,621
Discretionary	Commerce-Economic Development Incentive Grants	4,036,920	4,036,920	0
Discretionary	Commerce-Planning-Subdivision & Zoning Control	726,080	726,080	0
Discretionary	Contributions to Other Funds-Arena Fund	726,940	726,940	
Discretionary	Contributions to Other Funds-Capital Projects	97,750	97,750	
Discretionary	Contributions to Other Funds-CDBG	40,000	40,000	0
Discretionary	Cooperative Extension	483,864	416,034	67,830
Discretionary	County Manager	371,223	371,223	0
Discretionary	Delinquent Property Tax		-	
Discretionary	DJJDP New Programs Genesis/JCPC Adm	35,500	7,500	28,000
Discretionary	EMS - Non-emergency Transport	159,673	159,673	0
Discretionary	Forestry Service	44,375	44,375	0
Discretionary	General Services-Ground Maintenance, Fleet, Admin, Building Maintenance, Facility Maintenance	4,206,341	4,165,341	41,000
Discretionary	Human Resources	331,544	331,544	0
Discretionary	ITS	2,088,339	2,088,339	0
Discretionary	Libraries	2,323,444	2,146,444	177,000
Discretionary	Non Departmental Revenues		(54,000)	54,000
Discretionary	Non-Departmental-Contingency	292,710	292,710	0
Discretionary	Non-Departmental-Insurances Services & Settlements	-	-	
Discretionary	Non-Departmental-Other Benefits (Retiree Health Ins)	507,718	507,718	
Discretionary	Non-Departmental-Salary Adjustments	260,000	260,000	
Discretionary	Non-Departmental-Wellness Program	16,000	16,000	
Discretionary	Other Contributions-Arts Council	26,000	26,000	
Discretionary	Other Contributions-Community Care	100,000	100,000	
Discretionary	Other Contributions-Criminal Justice Partnership	115,231	-	115,231
Discretionary	Other Contributions-EDC	438,835	438,835	
Discretionary	Other Contributions-Muddy Creek	15,000	15,000	
Discretionary	Other Contributions-Sales Tax Fire Districts	600,000	600,000	
Discretionary	Other Contributions-Special Olympics	43,408	43,408	
Discretionary	Parks & Recreation	1,066,903	1,066,903	0
Discretionary	Public Assistance - Veterinarian Services	18,000	18,000	
Discretionary	Public Information	206,301	206,301	0
Discretionary	Social Services-Adult Day Care	60,705	7,588	53,117
Discretionary	Social Services-Community Alternatives Program (CAP)	3,862,697	3,705,262	157,435
Discretionary	Unrestricted Sales Tax Revenues			
Discretionary	Veterans Services	180,093	178,093	2,000
	<b>Total Discretionary Service/Discretionary Funding</b>	<b>26,635,008</b>	<b>25,238,090</b>	<b>1,396,918</b>
	<b>GRAND TOTAL GENERAL FUND</b>	<b>147,570,959</b>	<b>131,755,441</b>	<b>15,815,518</b>
* Total includes mandated as well as discretionary services				

## FUND SUMMARIES

### GENERAL FUND

#### Expenditures by Service Area

	<u>Actual</u> <u>FY 04</u>	<u>Amended</u> <u>FY 05</u>	<u>Adopted</u> <u>FY 06</u>	<u>Percent</u> <u>Change</u>	<u>Percent of</u> <u>Total</u>
General Government	\$10,958,054	\$12,313,277	\$12,624,828	2.5%	8.6%
Cultural & Recreational	3,354,398	3,335,117	3,390,347	1.7%	2.3%
Public Safety	15,633,282	17,544,852	17,846,467	1.7%	12.1%
Economic & Physical Development	5,808,748	5,911,534	5,211,924	-11.8%	3.5%
Human Services	31,151,465	32,884,338	35,004,805	6.4%	23.7%
Environmental Protection	176,748	228,063	220,866	-3.2%	0.1%
Education/School Debt	48,989,174	53,793,566	60,704,954	12.8%	41.1%
Other Programs	61,872,806	9,262,105	8,230,199	-11.1%	5.6%
Other Debt Service	2,951,733	2,789,796	4,336,569	55.4%	2.9%
<b>Total General Fund</b>	<b>\$180,896,408</b>	<b>\$138,062,648</b>	<b>\$147,570,959</b>	<b>6.9%</b>	<b>100.0%</b>

#### Expenditures by Category

<b>Expenditures</b>	<u>Actual</u> <u>FY 04</u>	<u>Amended</u> <u>FY 05</u>	<u>Adopted</u> <u>FY 06</u>	<u>Percent</u> <u>Change</u>	<u>Percent of</u> <u>Total</u>
Personal Services	35,154,301	38,373,873	41,457,717	8.0%	28.1%
Operations	125,229,845	76,171,256	78,258,011	2.7%	53.0%
Capital Outlay	833,726	1,355,178	1,334,089	-1.6%	0.9%
Debt Service	19,678,536	22,162,341	26,521,142	19.7%	18.0%
<b>TOTAL</b>	<b>180,896,408</b>	<b>138,062,648</b>	<b>\$147,570,959</b>	<b>6.9%</b>	<b>100.0%</b>

#### Revenues by Category

<b>Description</b>	<u>Actual</u> <u>FY 04</u>	<u>Amended</u> <u>FY 05</u>	<u>Adopted FY</u> <u>06</u>	<u>Percent</u> <u>Change</u>
Total Ad Valorem taxes	65,795,359	72,789,573	88,238,854	21.2%
Total Other Taxes	24,905,209	25,240,420	28,630,000	13.4%
Total Intergovernmental	15,091,749	16,331,812	15,805,640	-3.2%
Total Permits & Fees	4,771,654	4,468,358	5,081,950	13.7%
Total Sales & Services	8,444,623	8,997,955	9,035,655	0.4%
Total Investment Income	583,180	500,000	700,000	40.0%
Total Miscellaneous	859,815	1,470,784	78,860	-94.6%
Total Other Financing Sources	54,920,410	8,263,747		-100.0%
<b>TOTAL REVENUE - GENERAL FUND</b>	<b>175,372,000</b>	<b>138,062,649</b>	<b>147,570,959</b>	<b>6.9%</b>



## FUND SUMMARIES

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The General Fund budget totals \$147,570,959 a 6.9% increase over the FY 05 amended budget.

### Revenues

Ad valorem (property) tax revenue has been based on a tax rate of \$0.63 per \$100 of assessed valuation, a ten-cent increase above the FY 2005 tax rate. Total taxable property, excluding motor vehicles, is \$13,015,148,053, an increase of 2.6%. Motor vehicle taxable value increased 6.7% to \$1,189,845,287. North Carolina General Statutes require that the estimated percentage of property tax collections cannot exceed the percentage of tax levy actually realized in cash for the preceding fiscal year. Based on that requirement, a collection rate of 96.53% was applied to tax calculations. Property tax, excluding motor vehicles, is estimated at \$79,150,191 or 21% over FY 2005. Motor vehicle taxes have been budgeted at \$7,235,913, or 25.8% above FY 2005. Other revenue items included in this category include delinquent taxes and tax interest. Total revenues in this category have been budgeted at \$88,238,854, which represents a 21.2% increase above the current budget. All ad valorem budget estimates are based on actual value, along with current and prior year actual collection rates. Ad valorem taxes are budgeted only in the General Fund, and account for 59.8% of total revenue in the FY 2006 General Fund budget.

Sales tax is budgeted at \$28.1 million, a 13.1% increase above FY 05. Sales tax revenues have been increasing as the economic climate improves. Overall, the Other Taxes category equals \$28,630,000, an increase of 13.4% over FY 2005.

Intergovernmental Revenue represents 10.3% of total revenues and consists primarily of state and federal grants for human services activities, but also includes other state and federal grants, and other governmental revenues not related to grants. The FY 2006 budget of \$15,805,640 reflects a 3.2% decrease from the current fiscal year budget. Human Service grants account for \$14.1 million, other grants have been budgeted at \$1.2 million, and other governmental revenues not related to grants total \$0.5 million.

Permit and fee revenues are anticipated to rise 13.7%, to \$5,081,950. Revenue generated within this category is primarily attributable to two sources: Register of Deeds fees for the recording and dissemination of records (\$2.4 million) and Construction Standards building inspection fees (\$2.5 million). Several smaller fees make up the remainder. All budget estimates are based on prior and current

year actuals. This category accounts for 3.4% of General Fund revenues.

Sales and Service revenues are derived from a wide variety of sources. They represent fees collected by various departments for goods and services rendered by them to the public, other departments of the government, or to other governments. Illustrative items within this category include various recreation program participation fees, deputy reimbursements, tax collection fees, ambulance fees and Medicaid case management reimbursement. Revenue in this category is projected to increase a modest 0.4% above the amended FY 2005 budget. Total FY 2006 revenues are budgeted at \$9.0 million, or 6.1% of total General Fund budget. These revenues have been estimated based on prior and current year actuals.

Investment earnings are revenues earned on idle money held by the County for investment. Total General Fund investment income is expected to increase 40% above FY 2005 budgeted levels to \$700,000 or 0.5% of the budget. This increase is attributed to larger balances available for investment than were anticipated for FY 2005, coupled with a greater rate of return.

Miscellaneous revenues are those that are collected for various activities of the County that are not specific in nature or do not easily fit into another category. Included in this category are donations, grants from non-governmental entities, and the sale of fixed assets. The FY 2006 budget for miscellaneous revenues totals \$78,860 or 0.1% of General Fund budget. This budget is typically amended during the fiscal year to appropriate donations and grants as they are received. While the FY 2005 budget contained \$1.2 million for the sale of fixed assets, the FY 2006 proposed budget makes no provision for the sale of any assets.

### Expenditures

The General Government Service area accounts for services provided by the County for the benefit of the public and the governmental body as a whole. This service area encompasses the Board of Commissioners, Legal Department, County Manager, Public Information, Human Resources, Tax Collection and Administration, Board of Elections, Register of Deeds, Finance, Information Services, and General Services. Spending in this service area is expected to increase 2.5% above FY 2005 amended levels to \$12,624,828. General Government spending comprises 8.6% of the total budget.



## FUND SUMMARIES

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Culture and Recreation expenditures are those that provide County residents with opportunities and facilities for cultural, recreational and educational programs. Within the General Fund, these programs include County libraries, and Parks and Recreation. A FY 2006 budget of \$3,390,347 represents a 1.7% increase above amended FY 2005 levels.

Public Safety spending funds services responsible for the safety and security of the public. Included in the Public Safety service area are the County Sheriff, Jail, Animal Control, Courts, Construction Standards, Emergency Management, Emergency Medical Services, and Non Emergency Transportation. Budgeted expenditures for FY 2006 total \$17,846,467 or a 1.7% increase beyond funded FY 2005 levels. Public Safety spending equates to approximately 12% of the budget for the upcoming fiscal year.

Expenditures in the Economic and Physical Development service area provide for the orderly planning of growth and development within the County, along with incentives to drive economic growth. In the General Fund, programs within the Economic and Physical Development service area budget include: Commerce, Community Development, Environmental Protection, Zoning Administration, and Economic Development Incentives. Spending within this service area is projected to decrease approximately 11.8% to \$5,211,924. This decrease is primarily due to the fulfillment of economic development incentive obligations.

Human Services expenditures are those with a purpose of promoting the general health and well being of the individuals within a community. At approximately \$35 million, this budget accounts for 23.7% of the proposed General Fund spending in FY 2006. This spending level represents an increase of 6.4% above current year amended totals. The Human Services service area incorporates Veterans Services, Transportation, Cooperative Extension Service, Mental Health, Social Services and Aging.

By far the largest service area within the budget is Education / School Debt. This service area funds two public school systems and one community college. It also funds debt associated with the acquisition and construction of capital assets for the school systems and the community college. Total spending within this function is budgeted at \$60.7 million which represents 41.1% of all budgeted FY 2006 General Fund spending. This funding level represents an increase of 12.8% above current year funding.

Other Programs spending includes expenditures that are not attributable to one particular department or service, contributions to other agencies, contributions to other funds and capital improvement funding. The FY 2006 budget for Other Programs is proposed to decrease by approximately 11% to \$8.2 million. This service area accounts for 5.6% of FY 2006 General Fund expenditures.

Other Debt Service funds principal and interest payments on debt, other than school debt, for the acquisition and construction of capital assets. Funding of \$4.3 million represents 2.9% of the FY 2006 budget, and is a 55% increase above the current amended budget.

## FUND SUMMARIES

### SOLID WASTE MANAGEMENT (LANDFILL) FUND

#### Expenditures by Category

<b>Expenditures</b>	<b>Actual FY 04</b>	<b>Amended FY 05</b>	<b>Adopted FY 06</b>	<b>Percent Change</b>	<b>Percent of Total</b>
Personal Services	366,424	361,904	395,617	9.3%	31.7%
Operations	615,055	491,152	567,752	15.6%	45.4%
Capital Outlay	0	145,000	286,500	97.6%	22.9%
<b>Total</b>	<b>981,478</b>	<b>998,056</b>	<b>1,249,869</b>	<b>25.2%</b>	<b>100.00%</b>

#### Revenues by Category

<b>Description</b>	<b>Actual FY 04</b>	<b>Amended FY 05</b>	<b>Adopted FY 06</b>	<b>% Change</b>
Total Other Taxes	51,720	55,000	55,000	0.0%
Total Intergovernmental Grants -Other	27,545	-	-	0.0%
Total Permits & Fees	16,502	17,500	17,500	0.0%
Total Sales & Service	794,553	925,556	945,000	2.1%
Total Interest on Investments	69,476	-	-	-
Total Miscellaneous	(12)	-	-	-
Total Other Funding Sources	590	-	232,369	100.0%
<b>TOTAL REVENUE-LANDFILL FUND</b>	<b>960,373</b>	<b>998,056</b>	<b>1,249,869</b>	<b>25.2%</b>

The Solid Waste Management (Landfill) Fund budget totals \$1,249,869 which represents an increase of 25.23% above current year.

Landfill and Waste Reduction Programs constitute the Solid Waste Fund. In FY 2006 Solid Waste franchise fees and disposal tax on white goods remain flat, as do tire disposal fees. Tipping fees are increasing a modest 1.9%, and recycling revenue is projected to increase by 10%. The major change within Solid Waste revenues is the projected use of \$232,369 of unreserved fund balance in support of a

CIP project to construct a new Maintenance Facility. This facility will be used to maintain and repair landfill equipment and will also provide employees with shelter, restrooms and a break area.

Operating expenses are budgeted to increase 25.2% to \$1,249,869. This increase is driven primarily due to the construction of the maintenance facility detailed above, along with engineering fees for the expansion of the Construction and Demolition Debris Disposal site



## FUND SUMMARIES

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### CABARRUS ARENA AND EVENTS CENTER FUND

#### Expenditures by Category

<b>Expenditures</b>	<b>Actual FY 04</b>	<b>Amended FY 05</b>	<b>Adopted FY 06</b>	<b>Percent Change</b>	<b>Percent of Total</b>
Personal Services	801,161	1,046,671	898,872	-14.1%	32.4%
Operations	1,670,142	1,693,286	1,875,630	10.8%	67.6%
Capital Outlay	78,987	18,400	0	-100.0%	0.0%
<b>TOTAL</b>	<b>2,550,290</b>	<b>2,758,357</b>	<b>2,774,502</b>	<b>0.6%</b>	<b>100.0%</b>

#### Revenues by Category

<b>Description</b>	<b>Actual FY 04</b>	<b>Amended FY 05</b>	<b>Adopted FY 06</b>	<b>% Change</b>
Total Sales & Service	1,689,422	1,782,370	1,941,062	8.9%
Total Interest on Investments	4,379	1,800	5,000	177.8%
Total Miscellaneous	27,255	450	1,500	233.3%
Total Other Funding Sources	998,913	973,737	826,940	-15.1%
<b>TOTAL REVENUE-ARENA FUND</b>	<b>2,719,969</b>	<b>2,758,357</b>	<b>2,774,502</b>	<b>0.6%</b>

Expenditures in the Arena and Events Center Fund are expected to remain relatively flat, increasing by only 0.6% to \$2,774,502. This fund accounts for revenues and expenditures related to the Arena and Events Center, and the County Fair.

The major change in FY 2006 is in the way the Arena and Events Center is managed. In May 2005 the County signed a contract with SMG, a management company, to oversee and manage the Arena and Events Center (not including the County Fair). An on-site general manager was recruited. Beginning in FY 2006, all costs related to the Arena and Events

center have been consolidated into one cost center. Total costs for the Arena are projected to increase 0.1%. Budget includes management fees of \$95,000. The Arena and Events Center receives a contribution of \$100,000 from the Tourism Fund, and \$726,940 from the General Fund.

In the County Fair cost center, the Fair Coordinator position will be moved entirely to the Fair budget. The Arena and Events Center budget has previously included one-quarter of this expense.



## FUND SUMMARIES

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### TOURISM FUND

#### Expenditures by Category

<b>Expenditures</b>	<b>Actual FY 04</b>	<b>Amended FY 05</b>	<b>Adopted FY 06</b>	<b>Percent Change</b>	<b>Percent of Total</b>
Personal Services	242,395	295,117	315,145	6.8%	31.5%
Operations	574,319	856,154	685,661	-19.9%	68.5%
Capital Outlay	0	0	0	0	0
<b>TOTAL</b>	<b>816,714</b>	<b>1,151,271</b>	<b>1,000,806</b>	<b>-13.1%</b>	<b>100.00%</b>

#### Revenues by Category

<b>Description</b>	<b>Actual FY 04</b>	<b>Amended FY 05</b>	<b>Adopted FY 06</b>	<b>% Change</b>
Total Other Taxes	881,194	915,571	970,506	6.0%
Total Sales & Service	31,480	24,700	20,800	-15.8%
Total Interest on Investments	12,873	9,000	9,000	0.0%
Total Miscellaneous	-	-	500	-
Total Other Funding Sources	-	202,000	-	-100.0%
<b>TOTAL TOURISM FUND</b>	<b>925,548</b>	<b>1,151,271</b>	<b>1,000,806</b>	<b>-13.1%</b>

The Tourism Fund budget is proposed to decrease approximately 13.1% to \$1,000,806.

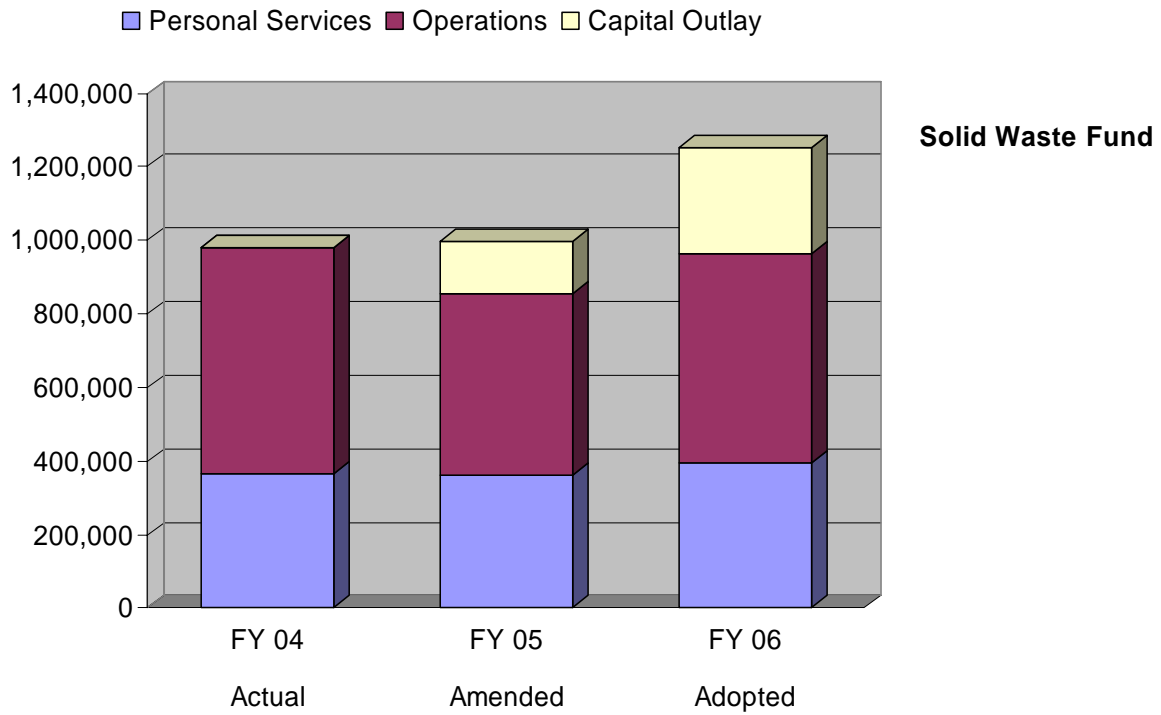
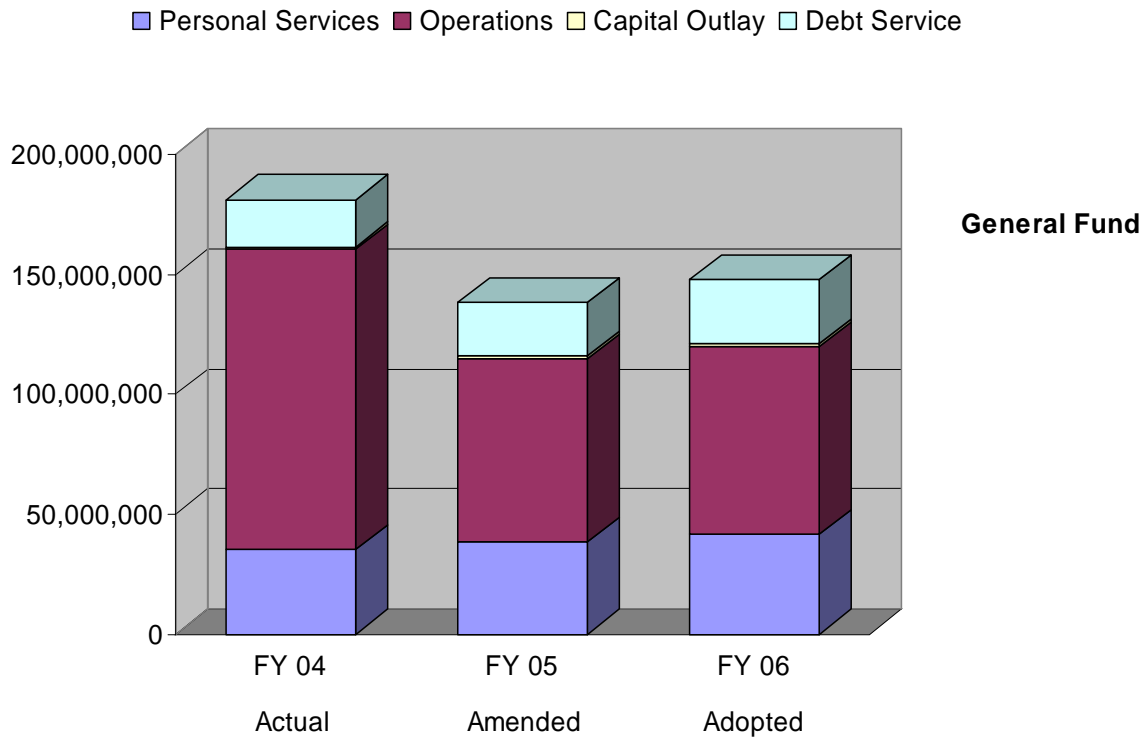
The primary source of revenue in the Tourism Fund budget is Occupancy Tax. The tax rate remains the same, but growth of 6% is projected. The proposed FY 2006 budget does not include the use of any fund balance.

Expenditures reflect a reduction in Tourism Incentive Grants (\$93,013). Also, the FY 2005 amended budget included a one-time contribution (\$92,000) to the Arena Capital Project Fund for the purchase of basketball flooring and scoreboards that will not recur in FY 2006.

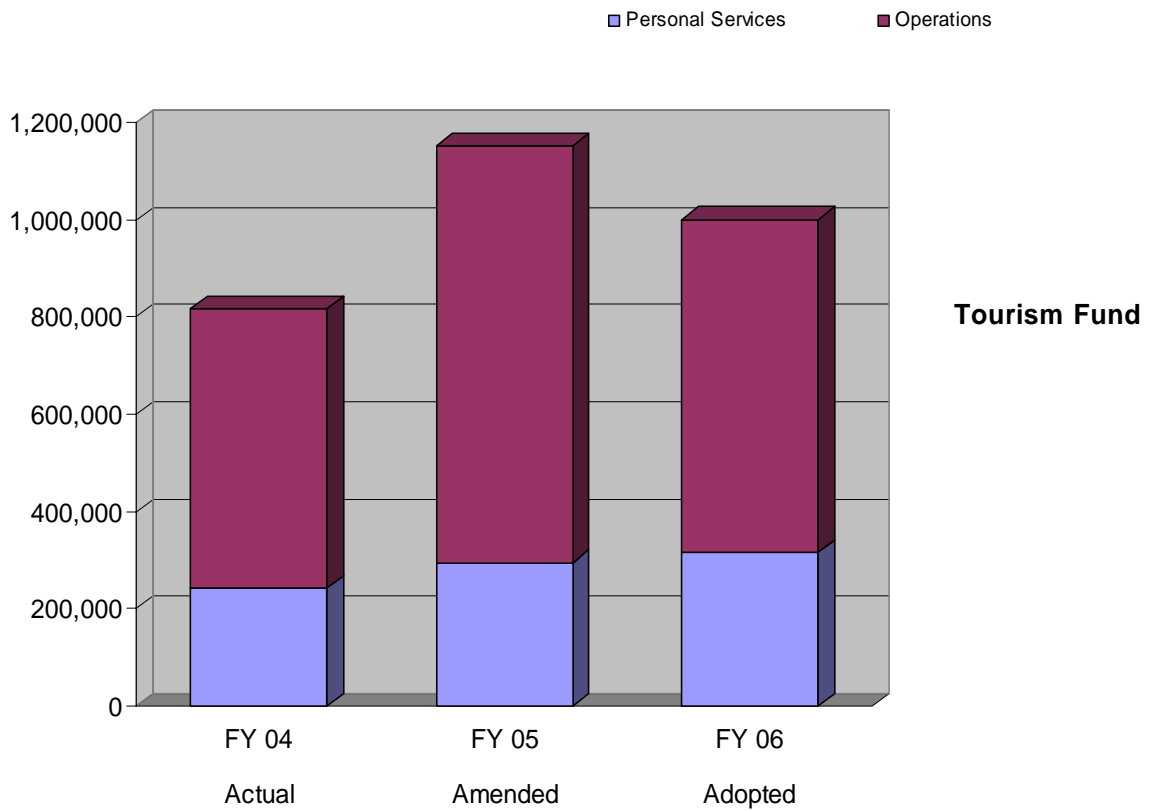
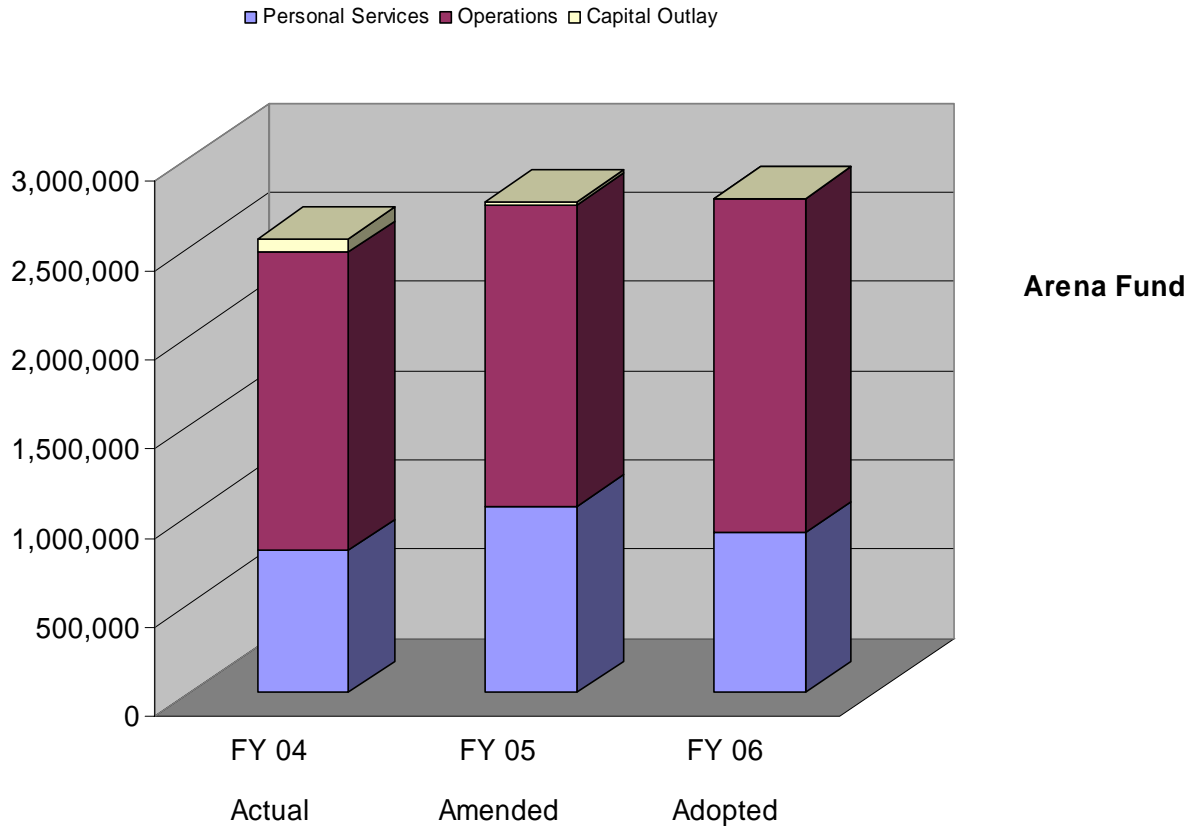




## FUND SUMMARIES



## FUND SUMMARIES



## **FIVE YEAR FINANCIAL PLAN**

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The Five Year Financial Plan is a forecast of revenues and expenditures spanning a five year period beginning with the proposed annual budget for the upcoming fiscal year. By using a five year planning window, the County ensures that commitments, obligations and anticipated needs are met in a fiscally sound manner. The five year plan encompasses both operating and capital budgets.

The forecast uses the current fiscal year (2005) budget as a starting point for both revenues and expenditures in 2006. Similarly, forecasts for subsequent years rely on the previous year's revenues and expenditures for their starting points. Increases and decreases in revenues and expenditures are itemized for each year.

### **The General Fund**

The revenue forecast for FY 2006 contains a property tax rate increase of \$0.10. Ad valorem, or property tax, revenue has been based on a tax rate of \$0.63 per \$100 of assessed valuation. Total taxable property, excluding motor vehicles, is \$13,015,148,053, an increase of 2.6%. Motor vehicle taxable value increased 6.7% to \$1,189,845,287. North Carolina General Statutes require that the estimated percentage of property tax collections cannot exceed the percentage of tax levy actually realized in cash for the preceding fiscal year. Based on that requirement, a collection rate of 96.53% was applied to tax calculations. Property tax, excluding motor vehicles, is estimated at \$79,150,191 or 21% over FY 2005. Motor vehicle taxes have been budgeted at \$7,235,913, or 25.8% above FY 2005. Other revenue items included in this category include delinquent taxes and tax interest. Total revenues in this category have been budgeted at \$88,238,854, which represents a 21.2% increase above the current budget. Subsequent years are estimated to grow at the rate of 3%. In FY 2009, revaluation is expected to add 20% to the tax base.

FY 2007 projections require an additional \$0.0325 tax rate increase, followed by \$0.01 in FY 2008. The tax rate projected for FY 2009 reflects a decrease of \$0.015 due to revaluation, and is projected to be unchanged from that level in FY 2010.

Total sales tax is budgeted at \$28.1 million, a 13.1% increase above FY 05. Sales tax revenues have been increasing as the economic climate improves. Overall, this category equals \$29,655,506, an increase of 13.1% over FY 2005. In succeeding years, sales tax growth is projected at 3%.

From an expenditure perspective, these increases are driven primarily by increased school current expense spending, increased debt service for school construction and increased debt service for the construction of a new justice center. New debt service is added in FY 2006, FY 2007 and again in FY 2009.

Other annual increases are attributed to salary and benefit increases, along with normal operational growth.

After several years of meager capital spending, the Five Year Plan calls for gradually increasing capital improvement funding. The Plan also calls for the resumption of contributions to the Capital Reserve Fund to facilitate "pay as you go" financing for some capital improvements.

The County believes that the spending levels specified in the Five Year Financial Plan are prudent and necessary, and maintain adequate general fund reserves. Board policy calls for unreserved fund balance to be maintained at a minimum of 15% of current budget. This plan as presented adheres to policy, with levels ranging from 18.3% in FY 2006, falling to 15.2% in FY 2010.

### **The Solid Waste Fund**

Landfill and Waste Reduction Programs constitute the Solid Waste Fund. In FY 2006 Solid Waste franchise fees and disposal tax on white goods remain flat, as do tire disposal fees. Tipping fees are increasing a modest 1.9%, and recycling revenue is projected to increase by 10%. The major change within Solid Waste revenues is the projected use of \$232,369 of unreserved fund balance in support of a CIP project to construct a new Maintenance Facility. This facility will be used to maintain and repair landfill equipment and will also provide employees with shelter, restrooms and a break area. For fiscal years 2007 – 2010, revenues are projected to increase by 5% each year.

Operating expenses are budgeted to increase 25.2% to \$1,249,869. This increase is driven primarily by the construction of the maintenance facility detailed above. In ensuing fiscal years, small increases have been projected in salaries and benefits lines. No new capital projects are included in the CIP at this time.

Current projections indicate that a surplus will be generated in each of fiscal years 2007 – 2010.

### **The Arena and Events Center Fund**

Expenditures in the Arena and Events Center Fund are expected to increase by approximately 0.6% to \$2,774,502. This fund accounts for revenues and expenditures related to the Arena and Events Center, and the County Fair.

The major change in FY 2006 is in the way the Arena and Events Center is managed. In May 2005 the County signed a contract with SMG, a management company, to oversee and manage the Arena and Events Center (not including the County Fair). An on-site general manager was recruited. Beginning in FY 2006, all costs related to the Arena and Events center have been consolidated into one cost center. Total costs for the Arena are projected to increase 0.1%. Budget includes management fees of \$95,000.

During FY 2006, the Arena and Events Center receives a contribution of \$100,000 from the Tourism Fund, and \$726,940 from the General Fund. In subsequent years, the General Fund contribution decreases dramatically, and beginning in FY 2010, it is projected that no contribution from the General Fund will be needed.

## Cabarrus County

### Five Year Financial Plan, General Fund

<b><u>Budgeted Revenues for:</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>
Estimated operating revenues from previous fiscal year	\$ 131,316,708	\$ 147,570,959	\$ 157,068,958	\$ 162,518,010	\$ 180,911,967
Growth due to Revaluation (20%) - Less Tax rate reduction of 1.5 cents	-	-	-	16,924,125	-
Annual Natural Growth in Property Tax Revenues	1,467,452	3,396,459	2,541,079	-	3,152,974
Increase tax rate \$.10 in 2006	13,712,080	-	-	-	-
Increase tax rate \$.0325 in 2007	-	4,631,640	-	-	-
Increase tax rate \$.01 in 2008	-	-	1,463,476	-	-
Growth in Miscellaneous Revenues	300,119	300,000	300,000	400,000	250,000
Growth in Building Inspections Revenues	-	250,000	200,000	100,000	100,000
Increase in Ambulance Revenues	100,000	100,000	100,000	100,000	100,000
 Growth in Sales Tax Revenues - 3% Annually	 674,600	 819,900	 844,497	 869,832	 895,927
<b>Total Revenues</b>	<b><u>147,570,959</u></b>	<b><u>157,068,958</u></b>	<b><u>162,518,010</u></b>	<b><u>180,911,967</u></b>	<b><u>185,410,868</u></b>
 <b><u>Budgeted Expenditures for:</u></b>					
Estimated operating expenditures from previous fiscal year	134,107,016	143,976,119	151,855,558	156,190,318	168,570,210
Increase in school current expense spending based on student growth (1,100 in year 2007) + 2%	3,158,564	2,109,421	2,180,145	2,252,855	2,327,602
Increase in RCCC current expense spending	346,731	40,062	41,264	42,502	43,777
 Additional Cabarrus Health Alliance contribution due to population growth	 90,862	 75,000	 75,000	 75,000	 75,000
Add Bank Fees	-	45,000	-	-	-
Misc. increases (decreases) in service costs	288,990	515,678	525,991	536,511	547,241
Estimated debt service for additional future school construction	-	-	-	7,900,000	-
Debt Service for school construction	3,658,300	4,409,307	312,091	-	-
Debt Service for New RCCC Business Center	771,334	-	-	-	-
Jail Expansion Debt Service	1,632,650	4,687,650	-	-	-
Staffing and operating increase due to Jail Expansion	-	-	-	570,000	-
Retirement of Debt Service	(1,143,271)	(2,419,168)	(412,398)	(705,245)	(528,524)
Change in Contribution to Arena	(10,445)	(250,262)	(244,436)	(201,643)	-
Capital Outlay Spending (items valued more than \$5,000 but less than \$100,000)	-	-	275,000	200,000	-
COLA of 2% all Years (Salary and Benefits)	685,865	679,203	692,787	706,642	720,775
Increase in Health Insurance cost FY06 new officers 5% other	510,486	218,115	229,020	240,472	252,495
Fulfilled/Added Incentive Grants	(701,002)	(2,943,770)	(124,230)	(100,180)	(623,900)
Change in Public Assistances	580,039	713,205	784,525	862,978	949,275
<b>Total Operating Expenditures</b>	<b><u>143,976,119</u></b>	<b><u>151,855,558</u></b>	<b><u>156,190,318</u></b>	<b><u>168,570,210</u></b>	<b><u>172,333,951</u></b>
 <b><u>Funding for Capital Projects</u></b>					
Capital Improvement Plan	3,594,840	4,957,228	6,323,984	8,824,425	3,635,294
Contribution to Capital Reserve Fund	-	-	-	3,200,000	9,000,000
<b>Total Expenditures</b>	<b><u>\$ 147,570,959</u></b>	<b><u>\$ 156,812,786</u></b>	<b><u>\$ 162,514,302</u></b>	<b><u>\$ 180,594,635</u></b>	<b><u>\$ 184,969,245</u></b>
Revenues over (under) Expenditures	-	256,172	3,708	317,332	441,623
 <b>Estimated Unreserved Fund Balance</b>	 <b>\$ 27,029,283</b>	 <b>\$ 27,285,455</b>	 <b>\$ 27,289,162</b>	 <b>\$ 27,606,494</b>	 <b>\$ 28,048,117</b>
as a % of Current Budget	18.3%	17.4%	16.8%	15.3%	15.2%
 Property Tax Rate	 .6300/100	 .6625/100	 .6725/100	 .6575/100	 .6575/100
 Total Debt Service Payments	 \$ 26,621,140	 \$ 33,298,929	 \$ 32,886,532	 \$ 40,081,287	 \$ 39,552,763
Total Debt Service Payments as a % of Budget	18.04%	21.23%	20.24%	22.19%	21.38%

**Cabarrus County**  
**Five Year Financial Plan, Solid Waste**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b><u>Budgeted Revenues for:</u></b>					
Estimated operating revenues from previous fiscal year	\$ 838,056	\$ 1,017,500	\$ 1,068,375	\$ 1,121,794	\$ 1,177,883
Increase in revenues FY 2006 - 21.0%	179,444				
Increase in revenues FY 2007-2010 - 5%		50,875	53,419	56,090	58,894
<b>Total Operating Revenues</b>	<u>1,017,500</u>	<u>1,068,375</u>	<u>1,121,794</u>	<u>1,177,883</u>	<u>1,236,778</u>
Retained earnings appropriated	232,369	-	-	-	-
<b>Total Revenues</b>	<u><b>1,249,869</b></u>	<u><b>1,068,375</b></u>	<u><b>1,121,794</b></u>	<u><b>1,177,883</b></u>	<u><b>1,236,778</b></u>
<b><u>Budgeted Expenses for:</u></b>					
Estimated operating expenses from previous fiscal year	853,056	963,369	1,000,471	1,038,380	1,077,115
COLA of 3% FY 2006	34,260				
& 2% All other years (salaries & benefits)		34,945	35,644	36,357	37,084
Increase in health insurance cost - 5%	-	2,157	2,265	2,378	2,497
Increase in Engineering costs	95,000	-	-	-	-
Decrease in Purchased services	(25,000)	-	-	-	-
Misc increases in operating costs	6,053	-	-	-	-
<b>Total Operating Expenses</b>	<u>963,369</u>	<u>1,000,471</u>	<u>1,038,380</u>	<u>1,077,115</u>	<u>1,116,696</u>
<b><u>Funding for Capital Purchases</u></b>					
Capital Improvement Plan	250,000	-	-	-	-
Capital Outlay	36,500	-	-	-	-
<b>Total Expenses</b>	<u><b>\$ 1,249,869</b></u>	<u><b>\$ 1,000,471</b></u>	<u><b>\$ 1,038,380</b></u>	<u><b>\$ 1,077,115</b></u>	<u><b>\$ 1,116,696</b></u>
Surplus	-	67,904	83,414	100,768	120,081
<b>Estimated Net Assets</b>	<b>\$ 2,000,752</b>	<b>\$ 2,068,656</b>	<b>\$ 2,152,069</b>	<b>\$ 2,252,838</b>	<b>\$ 2,372,919</b>

**Cabarrus County**  
**Five Year Financial Plan, Cabarrus Arena & Events Center Fund**

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**Arena & Events Center**

	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>
<b><u>Budgeted Revenues for:</u></b>					
Estimated operating revenues from previous fiscal year (less contribution)	\$ 1,080,912	\$ 1,467,062	\$ 1,833,828	\$ 2,200,593	\$ 2,530,682
Increase-FY 2006	386,150				
Increase-FY 2007-2010	-	366,766	366,766	330,089	379,602
<b>Total Operating Revenues</b>	<u>1,467,062</u>	<u>1,833,828</u>	<u>2,200,593</u>	<u>2,530,682</u>	<u>2,910,284</u>
Fund Balance Appropriated	-	-	-	-	-
General Fund Contribution	726,940	476,678	232,242	30,599	-
<b>Total Revenues</b>	<u><b>2,194,002</b></u>	<u><b>2,310,506</b></u>	<u><b>2,432,835</b></u>	<u><b>2,561,281</b></u>	<u><b>2,910,284</b></u>
<b><u>Budgeted Expenditures for:</u></b>					
Estimated operating expenditures from previous fiscal year	1,951,448	2,330,080	2,446,584	2,568,913	2,697,359
Increase(decrease) in operational expenditures: Arena & Events Center (5% FY 2007-2010)	378,632	116,504	122,329	128,446	134,868
<b>Total Operating Expenditures</b>	<u>2,330,080</u>	<u>2,446,584</u>	<u>2,568,913</u>	<u>2,697,359</u>	<u>2,832,227</u>
<b><u>Funding for Capital Purchases</u></b>					
Capital Outlay	-	-	-	-	-
<b>Total Expenditures</b>	<u><b>\$ 2,330,080</b></u>	<u><b>\$ 2,446,584</b></u>	<u><b>\$ 2,568,913</b></u>	<u><b>\$ 2,697,359</b></u>	<u><b>\$ 2,832,227</b></u>

**Cabarrus County**  
**Five Year Financial Plan, Cabarrus County Fair**

**County Fair**

	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>
<b><u>Budgeted Revenues for:</u></b>					
Estimated operating revenues from previous fiscal year (less contribution)	\$ 477,493	\$ 580,500	\$ 609,525	\$ 670,478	\$ 737,525
Increase-FY 2006	103,007				
5% Increase-FY 2007; 10% FY 2008-2010	-	29,025	60,953	67,048	73,753
<b>Total Operating Revenues</b>	<b>580,500</b>	<b>609,525</b>	<b>670,478</b>	<b>737,525</b>	<b>811,278</b>
Fund Balance Appropriated	-	-	-	-	-
<b>Total Revenues</b>	<b>580,500</b>	<b>609,525</b>	<b>670,478</b>	<b>737,525</b>	<b>811,278</b>
<b><u>Budgeted Expenditures for:</u></b>					
Estimated operating expenditures from previous fiscal year	388,026	444,422	457,341	470,628	484,294
COLA-salary & benefits 2% all years	1,511	1,541	1,572	1,603	1,635
Increase in health insurance cost 0% FY06 5% others		267	282	296	311
		-	-	-	-
Increase(decrease) in operational expenditures: County Fair	54,885	11,111	11,434	11,766	12,107
<b>Total Operating Expenditures</b>	<b>444,422</b>	<b>457,341</b>	<b>470,628</b>	<b>484,294</b>	<b>498,348</b>
<b><u>Funding for Capital Purchases</u></b>					
Capital Outlay	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 444,422</b>	<b>\$ 457,341</b>	<b>\$ 470,628</b>	<b>\$ 484,294</b>	<b>\$ 498,348</b>
<b>Estimated Unreserved Fund Balance</b>	<b>\$ -</b>	<b>\$ 16,106</b>	<b>\$ 63,771</b>	<b>\$ 117,153</b>	<b>\$ 390,987</b>



## CAPITAL IMPROVEMENT PROGRAM

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### **RELATIONSHIP AMONG THE OPERATING BUDGET, CAPITAL BUDGET AND THE FIVE YEAR FINANCIAL PLAN**

The Cabarrus County capital budget is a financial plan for capital projects, outlining expenditures and resources for a particular fiscal year. The Capital Improvement Program (CIP) is a long range plan of proposed capital improvement projects including project costs and funding sources. The CIP is updated annually based on needs identified during the preparation of the capital budget.

The Five year Financial Plan is a forecast of revenues and expenditures spanning a five year period beginning with the proposed annual budget for the upcoming fiscal year. By using a five year planning window, the County ensures that commitments, obligations and anticipated needs are met in a fiscally sound manner. The five year plan encompasses both operating and capital budgets

The annual operating budget must provide funding to adequately meet the anticipated needs, obligations and commitments of the County. In addition, the operating budget must provide financing, staffing, operational and maintenance cost funding for new facilities built or acquired as part of the CIP.

County policy acknowledges “pay as you go” financing as a significant financing source. However, each project is examined in depth to determine the most appropriate financing vehicle. Among considerations are: flexibility to meet project needs, timing, tax or rate payer equity, and lowest interest cost. The County aggressively seeks donations of funds, property, services and materials to supplement the resources provided by traditional financing methods. This policy reduces debt service costs, but still provides for the planned renewals, replacements and renovations required by a growing County.

Review of FY 2006 planned capital projects and available revenue sources reveals that \$3,594,840 spending from the General Fund will be required to implement these projects. In each of the subsequent years covered by the CIP and the five year plan, the General Fund contribution is projected to grow.

The largest increase will be in debt service to fund school construction and the new justice center. Some of this will be offset by the retirement of existing debt. Personnel and operating costs for the new justice center will increase beginning in FY 2009. Additional facilities, such as the two proposed EMS stations, recreation operations facility, and the Northwest Cabarrus Library will all impact operational costs, particularly in the areas of maintenance and utilities costs. The addition/expansion of parks and recreational facilities will also impact these areas.



# CAPITAL IMPROVEMENT PROGRAM

## CABARRUS COUNTY CAPITAL IMPROVEMENT (CIP)

	ACTUAL	BUDGET					BEYOND
	PRIOR	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
<b>CABARRUS COUNTY:</b>							
New EMS Station 8 - Midland						600,000	
EMS Station - Kannapolis				442,750			
Historic Courthouse Building Improvements	136,328				204,000		
Recreation Adm./Oper. Facility						250,000	
Equipment Shelter Grounds Maintenance				215,200			
GSA-Addition to Building	11,708					315,180	
Justice Center	120,869	500,000 <sup>1</sup>	60,000,000 <sup>2</sup>				
800 Mhz Tower - Flowe Store Rd.		1,500,000 <sup>1</sup>	0	162,000	162,000	162,000	
Kannapolis Library Comm. Room						459,000	
Northwest Cabarrus Library					300,000 <sup>3</sup>		
Roof Replacement-PBH			102,008				
Aerial Photography	459,882	50,000	50,000	100,000	150,000	50,000	150,000
Tax Software/Hardware			407,500				
Voting System			1,200,000 <sup>4</sup>				
Temporary Jail			2,000,000 <sup>1</sup>				
DSS Satellite Office						289,000	
Road Construction - Christenbery Rd.	13,150	208,933					
Road Construction Projects	564,424			TBD	TBD	TBD	
Landfill TD15 Dozer		145,000 <sup>5</sup>					
Landfill Maintenance Facility			250,000 <sup>5</sup>				
Storage Area Network Server			100,000 <sup>1</sup>				
Desktop Technology (Domino Project)		45,000	75,000	150,000	150,000	150,000	150,000
Real Estate Sale Enhancements -- Old Fair Grounds	28,954	29,802					
<b>TOTAL</b>	<b>1,335,315</b>	<b>2,478,735</b>	<b>64,184,508</b>	<b>1,069,950</b>	<b>966,000</b>	<b>2,275,180</b>	<b>300,000</b>

<sup>1</sup> Capital Reserve Funding

<sup>2</sup> Certificate of Participation (COPS) Financing

<sup>3</sup> Funding Source will be Concord Library Trust Funds

<sup>4</sup> Equipment must be purchased in January 2006 - \$134,000 Federal Funds have been received for new equipment - Capital Reserve funding

<sup>5</sup> Funding Provided in Solid Waste Enterprise Fund

<sup>6</sup> Funding will be provided with Justice Center Financing



# CAPITAL IMPROVEMENT PROGRAM

## CABARRUS COUNTY CAPITAL IMPROVEMENT (CIP)

	ACTUAL	BUDGET					BEYOND
	PRIOR	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
<b>COUNTY PARKS:</b>							
W.W. Flowe Park	994,919						801,550
Rocky River School/Park	257,311						323,437
North Cabarrus Park	1,074,183		600,000 <sup>1</sup>		569,184		982,083
W.M. Irvin School Park							247,296
Concord Middle School Park	13,789						248,000
Harrisburg School Park	743,953						336,950
NW Cab High School Park				92,000	262,200	201,250	
Forest Park School Park							557,750
Frank Liske Park	102,452			46,000	218,500		339,250
FLP Soccer Complex	1,362,517						161,000
Cox Mill Elementary School Park					TBD	TBD	
C.C. Griffin Middle School Park							280,025
Harris Road Middle School/Park			97,750	407,100			684,940
Camp T.N. Spencer Park	525,778			482,529		522,396	1,948,571
Atando Road Park				53,000	725,000		725,000
Pharr Mill Road Park		500,000 <sup>2</sup>	500,000 <sup>3</sup>			230,000	
Rocky River Greenway				575,000		575,000	
Odell School Park				146,050			
Park Expansion					1,597,500	2,535,000	9,055,000
<b>GRAND TOTAL PARKS</b>	<b>5,074,902</b>	<b>500,000</b>	<b>1,197,750</b>	<b>1,801,679</b>	<b>3,372,384</b>	<b>4,063,646</b>	<b>16,690,852</b>

<sup>1</sup>. PARTF Grant - \$300,000 reimbursement, \$150,000 City of Kannapolis, \$80,000 Capital Reserve Funding & \$70,000 Contribution from General Fund previously made

<sup>2</sup>. PARTF Grant - \$250,000 reimbursement and Capital Reserve Funding \$250,000

<sup>3</sup>. LWCF Grant - \$250,000 and Contribution from General Fund \$250,000



# CAPITAL IMPROVEMENT PROGRAM

## CABARRUS COUNTY CAPITAL IMPROVEMENT (CIP)

	ACTUAL	BUDGET					BEYOND
	PRIOR	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
<b>CABARRUS COUNTY SCHOOLS</b>							
School Construction		50,000,000	44,900,000		74,871,000		64,631,000
Capital Outlay Expense Funding		1,562,764 *	1,793,708 *	1,814,263	1,988,243	2,162,223	2,336,203
<b>TOTAL</b>		<b>51,562,764</b>	<b>46,693,708</b>	<b>1,814,263</b>	<b>76,859,243</b>	<b>2,162,223</b>	<b>66,967,203</b>
<b>KANNAPOLIS CITY SCHOOLS</b>							
School Construction					4,024,313		
Capital Outlay Expense Funding		196,843	668,874 *	271,336	297,357	323,376	349,396
<b>TOTAL</b>		<b>196,843</b>	<b>668,874</b>	<b>271,336</b>	<b>4,321,670</b>	<b>323,376</b>	<b>349,396</b>
<b>ROWAN CAB. COMMUNITY COLLEGE</b>							
Additional Campus Building-Design/Build	57,188	500,000 <sup>1</sup>	3,100,000				
Renovate Phase I RCCC	189,500						
<b>TOTAL</b>	<b>246,688</b>	<b>500,000</b>	<b>3,100,000</b>				
<b>TOTAL SCHOOLS</b>	<b>246,688</b>	<b>52,259,607</b>	<b>50,462,582</b>	<b>2,085,599</b>	<b>81,180,913</b>	<b>2,485,599</b>	<b>67,316,599</b>
<b>CABARRUS COUNTY GRAND TOTAL</b>	<b>6,656,905</b>	<b>55,238,342</b>	<b>115,844,840</b>	<b>4,957,228</b>	<b>85,519,297</b>	<b>8,824,425</b>	<b>84,307,451</b>
<b>Additional (Other than General Fund)</b>							
<b>Funding Provided From:</b>							
<b>Capital Reserve Fund</b>		(2,250,000)	(3,166,000)				
<b>Grants</b>		(250,000)	(834,000)		(300,000)		
<b>Landfill Enterprise Fund</b>		(145,000)	(250,000)				
<b>Installment Financing</b>		(4,500,000)					
<b>COPS Funding</b>			(60,000,000)		(78,895,313)		
<b>GO Bonds</b>		(50,000,000)	(48,000,000)				
<b>TOTAL CAPITAL OUTLAY FROM GENERAL FUND</b>			<b>3,594,840</b>	<b>4,957,228</b>	<b>6,323,984</b>	<b>8,824,425</b>	<b>84,307,451</b>

County participation required for State Bond Funds

Includes new school startup costs



# CAPITAL IMPROVEMENT PROGRAM

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## **CABARRUS COUNTY GOVERNMENT**

### **New EMS Station 8 for Midland**

Construct an EMS station to cover the southern part of Cabarrus County that is experiencing significant growth. Present facility is in Midland VFD, with very limited space. Land may be available at a new elementary school and proposed park, thus reducing the total cost.

### **New EMS Station 5, Kannapolis**

Enter into an agreement with City of Kannapolis. Joint agreements with other agencies have proven to be a cost-effective means of expanding to meet the growing needs of the County. Location of this station will be in the vicinity of Highway 73 and the new Kannapolis bypass. From this location, a unit can respond rapidly in multiple directions. This will greatly reduce response times in this area of the county.

### **Historic Courthouse Building Improvements**

Renovations to the old courthouse.

### **Recreation Administration Operations Facility**

This proposal is to potentially relocate the Cabarrus County Parks and Recreation Administration and operational offices to another site (TBD).

### **Equipment Shelter**

Shelter to house all heavy Grounds Maintenance Division equipment.

### **General Services Administration Warehouse Addition**

Additional 2,500 square foot to existing General Services warehouse based on need.

### **Justice Center**

New jail facility to address increased local jail populations. Also, establish new court space and office space for State Offices.

### **800 MHX Tower – Flowe Store Area**

Locate and acquire suitable land in the Flowe Store Road/Hwy. 24/27 area for the construction of a 800 MHZ radio transmission tower and equipment building.

### **Kannapolis Library Community Room**

This project will be an addition of a multi-purpose community room to the Kannapolis Library. The room will be approximately 3,000 to 4,000 square feet and will be attached to the Library at its northwest corner. This space will contain restrooms, a small kitchen and furniture and equipment storage.

The room will be used for library programs and non-library educational programs.

### **Northwest Cabarrus Library**

Establishment of a new branch library in western Cabarrus County. The library would be located in leased space. Funds for the establishment of this branch would be derived primary from the Concord Library Trust Fund.

### **Roof Replacement – 457 Lake Concord Road**

This facility, located at 457 Lake Concord Road, was built in 1976 by a partnership consisting of Cabarrus County, Cabarrus County Hospital and Piedmont Area Mental Health. The lease agreement requires that Cabarrus County be responsible for maintenance of reasonable wear items, such as the roof.

### **Aerial Photography**

This project is a countywide mapping initiative that includes aerial photography and color digital orthophotography. It is recommended that the County go to a two year cycle for photography due to our rapid growth. Topology data is only needed every five years. The County is participating in a joint contract with nine other Counties for aerial photography, utilizing the state lidar data, with savings of at least \$50,000. For each two year cycle, the major cost of the project is in the second year.

### **Tax Hardware/Software**

Replacement of current tax billing, collection and assessment software and hardware to leverage the functionality of client server technology with web based applications. Our current tax vendor COTT Systems, was recently purchased by Novalis. Novalis staff have created tax billing and assessment software that works with their existing GIS and land records applications. Novalis would be responsible for conversion of all current data with ITS and Tax staff working to test and evaluate accuracy of data.

### **Voting System**

Voting equipment will be used on Election Day to enable eligible voters to vote for the candidate of their choice and calculate the totals for accurate results.

### **Temporary Jail**

State regulators have notified the county that it must develop an interim solution to the severe overcrowding in the existing jail, since the new justice center will not open until late 2007 or early 2008. The Board chose the only practical solution: build a facility to house inmates that can be



## **CAPITAL IMPROVEMENT PROGRAM**

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constructed quickly but will have value after the new jail is open.

The building will be constructed on Corban Avenue adjacent to the site of the new justice center. This jail annex will have 96 beds and cost about \$7 million to construct. Additional land for the annex is expected to cost about \$2 million and will be paid from the capital reserve. The impact on the 2006 operating budget for staffing and other related costs is about \$1 million. The land Debt service requirements for the project will be reflected in the FY 2007 budget.

### **DSS Satellite Office**

A 5,000 square foot office facility to be leased, renovated, and furnished as a satellite location.

### **Road Construction – Christenbery Road**

Joint project with the City of Concord, the County and Highland Creek Development to extend Concord Mills Blvd., to Christenbery Road.

### **Road Construction Projects**

Improvements to local road system.

### **Landfill TD15 Dozer**

Replacement of the 1982 model dozer.

### **Landfill Maintenance Facility**

New Maintenance office facility to maintain and repair landfill equipment and to provide employees shelter, restrooms and a break area.

### **Storage Area Network Server**

Purchase and install one storage area network server (SANS) Server to be located at the Governmental Center (initially) to house redundant/disaster recovery data for the financial server (MUNIS), the tax server (COTT) and the various Windows servers.

### **Desktop Technology**

An annual project, ITS compares the current inventory of desktop PC's with the current requirements of the various County departments and upgrades selected PC's to the most current technology.

### **Enhancements to Old Fair Ground Property**

Enhancements (curb appeal) to aid in the sale of property.

## **CABARRUS COUNTY PARKS**

### **W.W. Flowe Park**

In 1995, Mary and Harry Brown donated 65 acres (two tracts) for a public park. This park officially opened for the general public in August, 2002. The

completed facilities are four baseball/softball fields, restroom/concession building, trails, volleyball courts, horseshoe pits, picnic sites, playground, landscaping, signage and parking area. In Phase II proposed beyond FY 2009 are completion of two additional ball fields with fencing, irrigation, turfing and lighting. Cabarrus County has the opportunity to enter into a joint partnership with the City of Concord for the completion of this project. Each agency could share in the construction costs of these two ballfields. In Phase III are passive opportunities (on 25 acres) such as nature trail, bird habitat, butterfly garden, restroom/picnic shelter, mountain bike trails and parking

### **Rocky River School Park**

Development of the school/park at Rocky River Elementary School began 1999. All elements have been completed except: lights for 2 athletic fields, paved perimeter trail, and signage. This school/park site has six athletic fields, basketball courts, playground and gymnasium.

### **North Cabarrus Park**

In 1998-99, the City of Kannapolis, Church of God Children's Home and Cabarrus County entered into two formal 20 year agreements for approx. 90 acres to jointly construct a public park on Orphanage Road. In 1999-2000, City, County and Church of God Children's Home representatives met to review and evaluate design and development proposals. All three boards approved the recommended park concept and recommended phasing proposals. During the park planning, public input was sought and hearings held to gather public recommendations for park facilities. In 1999-2000, Phase I construction consisted of entrance roadway, parking lots, picnic shelters (2), horseshoe, volleyball, and basketball courts, and landscaping. Phase II for FY 2000-2001 consisted of restrooms, picnic shelter, trails, utilities and parking. On October 11, 2001, the Phase I/II facilities were opened to the general public. Phase III for FY 2006-2007 consists of pedestrian trails, boardwalks, playground, two open space areas, individual picnic sites, large group picnic shelter and parking lots. The park concept consists of six phases. Other proposed Phases include nature trails, pedestrian bridges, disc golf course, mountain bike trails and tennis courts.

### **W.M. Irvin School Park**

Improvements to W.M. Irvin School/Park: Cabarrus County has the opportunity to enter into a joint partnership with the City of Concord for the completion of this project. Each agency could share in the construction costs of this proposed school/park.



## CAPITAL IMPROVEMENT PROGRAM

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The proposed project facilities are: one baseball/softball field, one soccer field, irrigation, turfing, athletic lighting and a gymnasium, which includes gymnasium scoreboard and bleachers.

### **Concord Middle School Park**

Improvements to the park at Concord Middle School: Cabarrus County has the opportunity to enter into a joint partnership with the City of Concord for the completion of this project. Each agency could share in the construction cost of this school/park site. In 1999, the City of Concord Council, Cabarrus County Board of Commissioners, and Cabarrus County Board of Education jointly funded turf improvements (irrigation system, Bermuda sprigs, bleachers and signage) to the athletic fields. The proposed project facility elements are athletic field lights, cover and concrete floor for baseball/softball field dugouts.

### **Harrisburg School Park**

Improvements to the park at Harrisburg School: The proposed project facilities are one baseball/softball field and one combination baseball/soccer field, which includes lights, irrigation system, turfing improvements and walking/jogging trail. The Harrisburg Youth League is an active partner in this replacement project. The Youth League has purchased an additional 2 acres (approximately) of adjoining land that allowed for a four-field athletic complex to be constructed on the site. In 1999-2001, the BOC approved funds to construct a four field baseball/softball complex which included lights, fencing, bleachers, irrigation, turf improvement, and gymnasium scoreboard/bleachers. In 2003-2004, the Cabarrus County Board of Commissioners approved funds to construct a concession/restroom building for the four-field complex. Harrisburg Youth League provided additional funds (\$37,618) to construct a second story on this multipurpose building. Items needed for project completion include lighting, fencing, irrigation, turf, two (2) ballfield-soccer combo fields, paved perimeter trail, and signage.

### **Northwest Cabarrus High School Park**

Development of a school/park at the Northwest Cabarrus High School will include grading, irrigation, turf, fencing and lights for one (1) 300' baseball field and one (1) combination softball/soccer/football field. Additionally, a concession/restroom building, bleachers and signage will complete the project. The school system and high school Athletic Booster Club are active partners for this project with additional funds for grading, erosion control and turfing materials.

### **Forest Park School Park**

The proposed project facilities are two baseball/softball fields, which includes turfing, grading, infield preparation, lights, fencing, a restroom/concession building, dugouts, bleachers, gymnasium scoreboard, park signage, and trail system.

### **Frank Liske Park**

Frank Liske Park Improvements. The proposed project includes the following elements: asphalt surfacing of perimeter walking/jogging trail, replacement toddler playground equipment, expanding the current 200' field to 300' (softball size) with grading, turfing, fencing, irrigation and lights. The project also includes replacement of two wooden light projects (fields #1 & #2) with new lights/poles.

### **Frank Liske Park Soccer Complex (New Facility)**

In year 2000, Cabarrus County formally obtained a twenty-five year lease from the State of North Carolina for 39 acres of land for a soccer complex. An eleven-field soccer complex has been constructed on this leased land and on the adjoining land at Frank Liske Park. Grading construction began on April 1, 2001 for the soccer complex. The complex was opened in August, 2002. Cabarrus County has entered into a joint partnership with the City of Concord and the Cabarrus Soccer Association for the completion of this project. According to the approved agreement, the City and CSA will each reimburse Cabarrus County \$300,000 over a six-year period or a total of \$600,000 toward this project. Athletic lights for four fields are proposed beyond FY 2009.

### **Cox Mill School Park**

Development of a school park at the new Cox Mill Elementary School will include: two (2) 200' ballfields that will be irrigated, turfed, fenced and lighted; a concession/restroom building; a paved perimeter trail; and signage.

### **C.C. Griffin Middle School Park**

Development of a school/park at the new CC Griffin Middle School will include: a running track, improvements to three athletic fields: (1) 300' baseball field, (1) 200' baseball/softball field and (1) one football/soccer/track combination field. The new facilities include concession/restroom building, athletic lights, bleachers, dugouts, and scoreboards. The school system provided basic improvements to each facility: grading, turfing, irrigation, limited bleachers and scoreboards, fencing and gravel parking lots.



## **CAPITAL IMPROVEMENT PROGRAM**

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### **Harris Road Middle School Park (New School Location)**

Development of a school/park at the new Harris Road Middle School will include: grading, irrigation/turf, fencing and lights for one (1) 300' baseball and one (1) 200' softball field. Additionally, a concession/restroom building, bleachers, and signage will complete the project. The school system built the track/football/soccer combo field. Prior to determining the exact grading costs the actual construction site will need to be determined.

### **Camp T.N. Spencer**

In 2002, the Cabarrus County Boys and Girls Club and Cabarrus County entered into a formal, long-term agreement for approximately 50 acres, commonly called Camp TN Spencer, to jointly construct a public park. Attached are the recommended phase proposals. The other phases consist of new bathhouse for swimming pool, covered activities building, additional new docks, new dining hall, additional camping facilities and cabins. In 2002, the construction consisted of perimeter loop walking/jogging trail, playground, building improvements and signage. In 2003, Cabarrus County Parks and Recreation Department received a North Carolina Parks and Recreation Trust Fund grant for the following project elements: picnic shelters, tent sites, picnic sites, parking areas, boathouse and dock, utilities, lake improvements, bathhouse/restrooms for camping area, camping cabins, volleyball courts and horseshoe pits.

### **Atando Road Park**

On September 17, 2001, the Cabarrus County Board of Commissioners approved a resolution of acceptance of gift of real and personal property from the Elma C. Lomax Living Trust (approximately 30 acres of unimproved real estate located at 3332 Atando Road). A master site plan will determine actual cost estimates. According to the trust agreement, the following type of activities are permitted: fencing, driveways, parking areas, fellowship facilities, hiking trails, pond construction and other similar uses. The grantor's intent is that the parkland be shared with wildlife; therefore, only passive activities may be constructed on the site. A comprehensive master site plan or a preliminary budget has not been completed for the site.

### **Pharr Mill Road Park**

In 2001, Canterfield, LLC donated 37.4 acres of undeveloped land located on Pharr Mill Road adjacent to Rocky River for a public park. Cabarrus County hired a consultant company, HadenStanziale, who developed a master site plan and construction

budget for the future park. Included in the plan are: grading, parking lots, restroom/vending/picnic shelter, playground, picnic sites, trails and boardwalk, fishing pier, pond improvements, volleyball courts and horseshoe pits. The plans are to submit applications for both a Federal Land and Water Conservation Fund Grant and a Park and Recreation Trust Fund Grant for this project. Both grants are reimbursable 50/50 matching grant programs for conservation and recreation purposes. Grants of a maximum of \$250,000 assistance are awarded yearly to local governments.

### **Rocky River Greenway**

In the Livable Community Blueprint adopted in 2002, walking/jogging/nature facilities were rated high in public input. Greenway facilities provide a host of benefits for the public. For the past two years, a steering committee composed of Cabarrus County, City of Concord and local Land Trusts have been working together on this project. Cabarrus County has the opportunity to enter into a joint partnership with the City of Concord for this project. Comprehensive Master Site Plan and preliminary budget have not been completed for this project. Local landowners and developers have donated many easements and land tracts for this greenway area.

### **Odell Elementary School Park**

Improvements to the park at Odell Elementary School are necessary. The proposed project facilities are one athletic field which includes lights, irrigation system, turfing improvements and bleachers. Odell Youth League is the second largest youth organization in Cabarrus County. The purpose of this facility is to help alleviate the overcrowded facilities of current youth athletic programs and to serve as a park for the surrounding community. If the current elementary school site is eliminated, four athletic fields would need to be replaced for the community.

### **Park Expansion**

Future park locations and renovations

## **CABARRUS COUNTY SCHOOLS**

### **School Construction / Bonds**

To meet school enrollment needs the County must continue to buy property and construct additional schools. The Board of Education has not determined all of their needs, but current projections indicate the need for athletic facility improvements at 5 schools, construction of 4 elementary schools and 1 middle school during the time period covered by this CIP. Specific locations of schools will be defined prior to each purchase. \$37.5 million in General Obligation





## CAPITAL IMPROVEMENT PROGRAM

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bonds were issued in FY 2005; and additional \$44.9 million will be issued in FY 2006 to support school construction. Current estimates project \$74.9 million in COPS funding will be issued in FY 2008, followed up with an additional \$64.6 million required in FY 2010 and beyond.

### **Capital Outlay Expense Funding**

Funds are to be used by the schools at their discretion for capital outlay needs (ex. building improvements, furniture buses, technology). Included in Capital Outlay Expense funding are funds for school start-up.

### **KANNAPOLIS CITY SCHOOLS**

*Cabarrus County funds budgeted in the General Fund for Kannapolis City Schools.*

### **School Construction**

The CIP includes provisions for property acquisition, gym and classroom additions, a playground, roof replacement and other renovations. \$12.5 million in General Obligation bonds were issued in FY 2005 and plans call for \$4.0 million in COPS financing to occur in FY 2008 to finance these projects.

### **Capital Outlay Expense Funding**

Funds are to be used by the schools at their discretion for capital outlay needs (for example, building improvements, furniture buses, technology). Included in Capital Outlay Expense funding are funds for school start-up.

### **ROWAN CABARRUS COMMUNITY COLLEGE**

### **Additional Campus Building**

Building 3000 at the South Campus.



## PROGRAM SUMMARY FY 2006

**DEPARTMENT: Education**

**PROGRAM: Current Expense**

**MANDATED SERVICE:** Public Schools - NCGS 115C-426(e) – current expense funding required, level not mandated. NCGS 115C-430 – equal apportionment required between school administrative units. Community College – NCGC 115D-32(d) – maintenance and utility cost funding required for satellite campuses

**PROGRAM SUMMARY:** Students in Cabarrus County are served by two school systems: Cabarrus County Schools and the Kannapolis City Schools, along with one community college. Current expense funding assists Cabarrus County and Kannapolis City school systems and the Rowan-Cabarrus Community College (South Campus) pay salaries, benefits, utilities and other operating expenses.

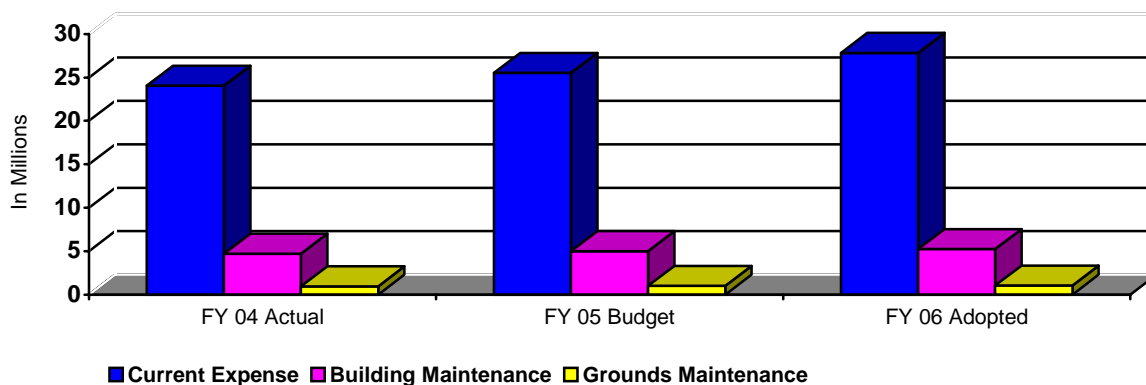
SCHOOL	FY 2004 ACTUAL	FY 2005 BUDGET	FY 2006 REQUESTED	FY 2006 ADOPTED	ADM
<b><u>ADM Funding</u></b>					
Cabarrus County Schools	20,909,643	22,142,714	25,183,604	24,686,641	23,346
Kannapolis City Schools	3,160,396	3,382,028	4,162,858	3,693,585	3,493
<b><u>Building Maintenance Funding</u></b>					
Cabarrus County Schools	4,090,076	4,331,258	4,563,258	4,563,042	23,346
Kannapolis City Schools	618,196	661,547	682,717	682,717	3,493
<b><u>Grounds Maintenance Funding</u></b>					
Cabarrus County Schools	819,538	867,750	913,750	913,706	23,346
Kannapolis City Schools	123,869	132,538	136,708	136,708	3,493
<b>TOTAL PUBLIC SCHOOL FUNDING</b>	<b>29,721,718</b>	<b>31,517,835</b>	<b>35,642,895</b>	<b>34,676,399</b>	<b>26,839</b>

### FY 2006 HIGHLIGHTS, AND/OR SIGNIFICANT MODIFICATIONS:

Current expense spending, inclusive of Building and Grounds Maintenance, is funded at \$34,676,399. This represents an increase of 10.2% over FY 05 budget levels. An additional \$50,000 for school park maintenance is budgeted in Parks and Recreation budget

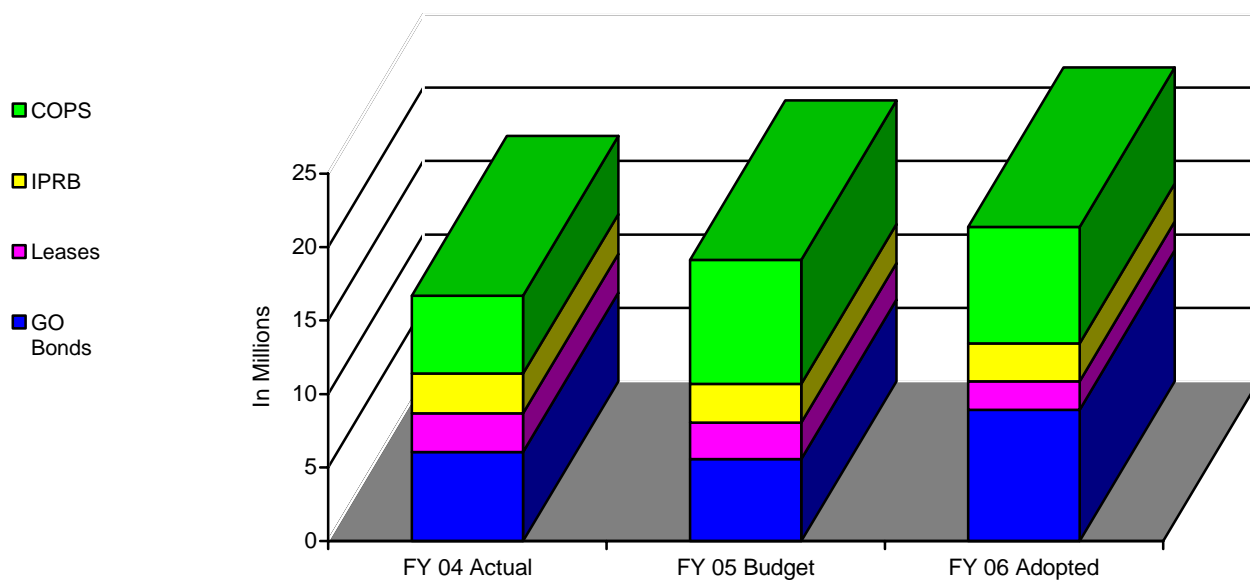
Current expense funding for schools is based on Average Daily Membership (ADM). ADM is certified by the state, and is calculated as follows: Number of days a student's name appears on the roll is calculated for each student. The sum of these calculations is divided by the number of school days to arrive at the ADM. ADM for FY 2006 has increased by 674; Cabarrus County Schools increased by 649 and Kannapolis City Schools increased by 25. Current expense ADM funding (exclusive of Building & Grounds Maintenance) increased by 8.4% from \$975.53 per student to \$1,057.42 per student.

In FY 2000, a formal agreement was executed by the Board of County Commissioners, Cabarrus County Board of Education and the Kannapolis City Board of Education to provide additional current expense funding based on ADM for building maintenance, grounds maintenance and fiber optic cabling. This agreement provided unification of a comprehensive building and grounds maintenance program encompassing all facilities for both school systems, to be administered by the Cabarrus County School System. For FY 06, ADM Building Maintenance rates have been established at \$195.45, an increase of 2.4% above FY 2005. Consolidated Building Maintenance totals \$5,245,759, a 5.1% increase over FY 2005. Grounds Maintenance per student rates have increased 2.4% to \$39.14. Overall Grounds Maintenance funding has increased 5.0% to \$1,050,414.



<b>PUBLIC SCHOOL DEBT SERVICE</b>	<b>FY 2004 ACTUAL</b>	<b>FY 2005 BUDGET</b>	<b>FY 2006 PRINCIPAL</b>	<b>FY 2006 INTEREST</b>	<b>FY 2006 TOTAL</b>
GO Buildings – Schools	6,051,251	5,561,790	5,018,886	3,899,920	8,918,806
Lease – Schools – Bank Fees	2,631,406	2,496,920	1,901,484	52,820	1,954,304
IPRB	2,711,625	2,642,250	1,500,000	1,073,250	2,573,250
COPS	5,306,068	8,419,584	4,363,300	3,564,109	7,927,409
<b>TOTAL</b>	<b>16,700,350</b>	<b>19,120,544</b>	<b>12,783,670</b>	<b>8,590,099</b>	<b>21,373,769</b>

The County issues various types of debt in support of school construction. General Obligation Bonds (GO bonds), Capital Leases, Installment Payment Revenue Bonds (IPRB), and Certificates of Participation (COPS) have all been used to finance the acquisition and construction of school capital facilities. In November, 2004 voters approved by referendum the issue of \$94.9 million in support of school construction and renovation. \$50 million of this authorized debt was issued in March 2005. Complete details of these long-term obligations can be found in the *Debt Service* section of this document.

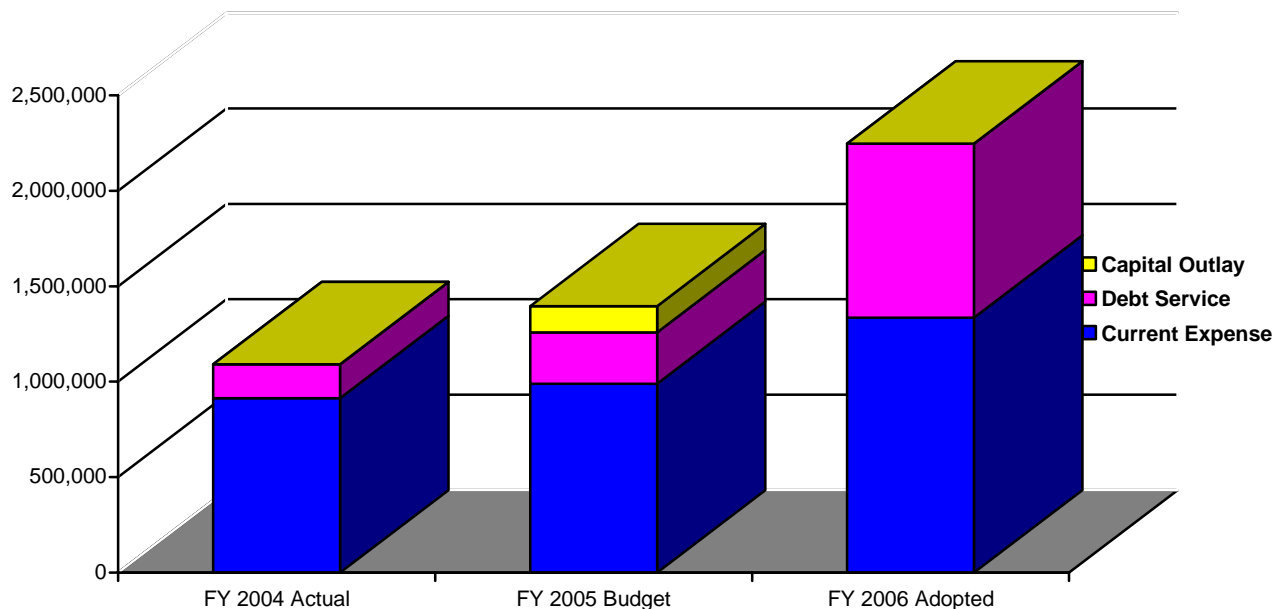


<b>ROWAN CABARRUS COMMUNITY COLLEGE</b>	<b>FY 2004 ACTUAL</b>	<b>FY 2005 BUDGET</b>	<b>FY 2006 REQUESTED</b>	<b>FY 2006 ADOPTED</b>
RCCC Current Expense	913,940	988,669	1,335,400	1,335,400
RCCC Debt Service	177,165	268,226	910,804	910,804
RCCC Capital Outlay	0	138,688	0	0
<b>TOTAL RCCC</b>	<b>1,091,105</b>	<b>1,395,583</b>	<b>2,246,204</b>	<b>2,246,204</b>

Current expense funding for Rowan Cabarrus Community College (RCCC) totals \$1,335,400, a 35.1% increase above FY 2005 levels. This funding request includes modest increases to cover inflationary factors, along with increases that reflect a greater than 30% increase in enrollments over the last two years. This request also includes funding for operational costs of the new Business and Technology facility located on Highway 29. This facility increases square footage in Cabarrus County facilities by approximately 40%.

The County has issued GO bonds and installment financing in support of acquisition and construction of capital facilities. Further details may be found in the *Debt Service* section of this document.

RCCC has not requested any capital outlay funding for FY 2006.



# PROGRAM SUMMARY

## FY 2006

**DEPARTMENT:** Education

**PROGRAM:** Capital Outlay

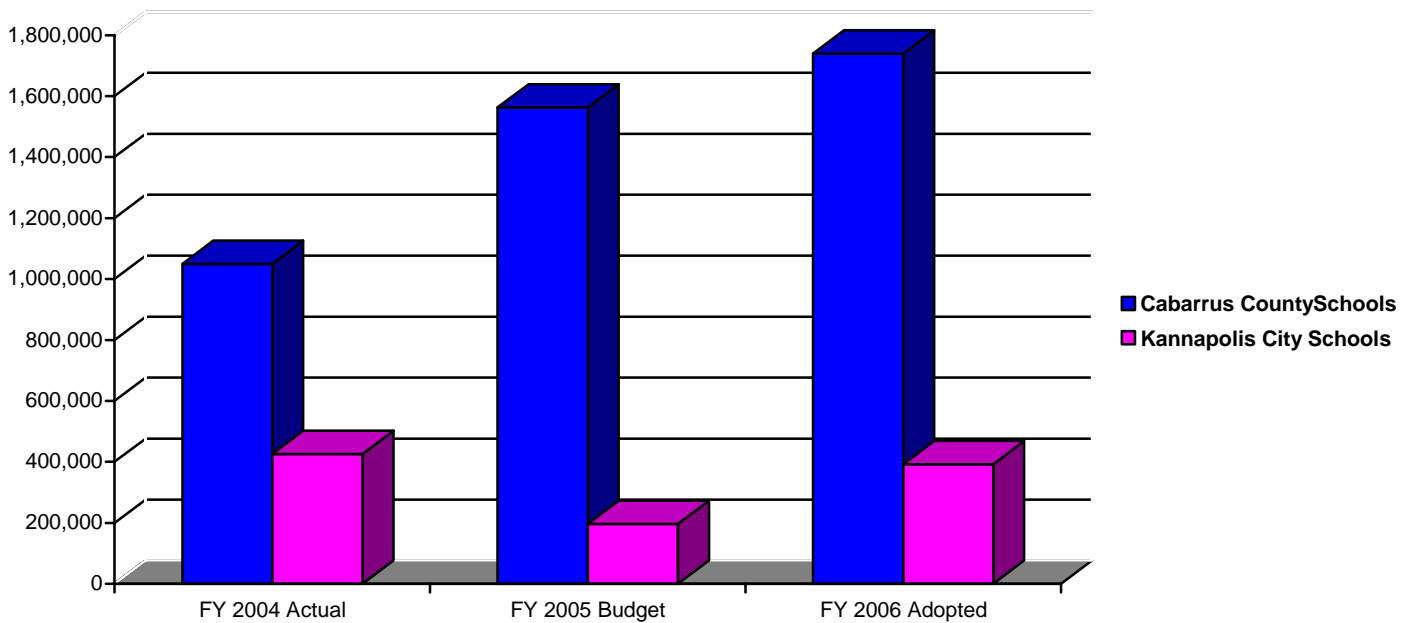
**MANDATED SERVICE:** NCGS 115C-426(f) – Capital outlay funding required, level not mandated.

**PROGRAM SUMMARY:** Capital outlay funding is provided for the purchase of buses or other vehicles for the Cabarrus County and Kannapolis City School Systems; building improvements; and acquisition or replacement of furnishings and equipment.

SCHOOL	FY 2004 ACTUAL	FY 2005 BUDGET	FY 2006 REQUESTED	FY 2006 ADOPTED
Cabarrus County Schools*	1,050,000	1,562,761	2,033,000	1,739,708
Kannapolis City Schools*	426,000	196,843	695,516	668,874
<b>TOTAL CAPITAL OUTLAY</b>	<b>1,476,000</b>	<b>1,759,604</b>	<b>2,728,516</b>	<b>2,408,582</b>

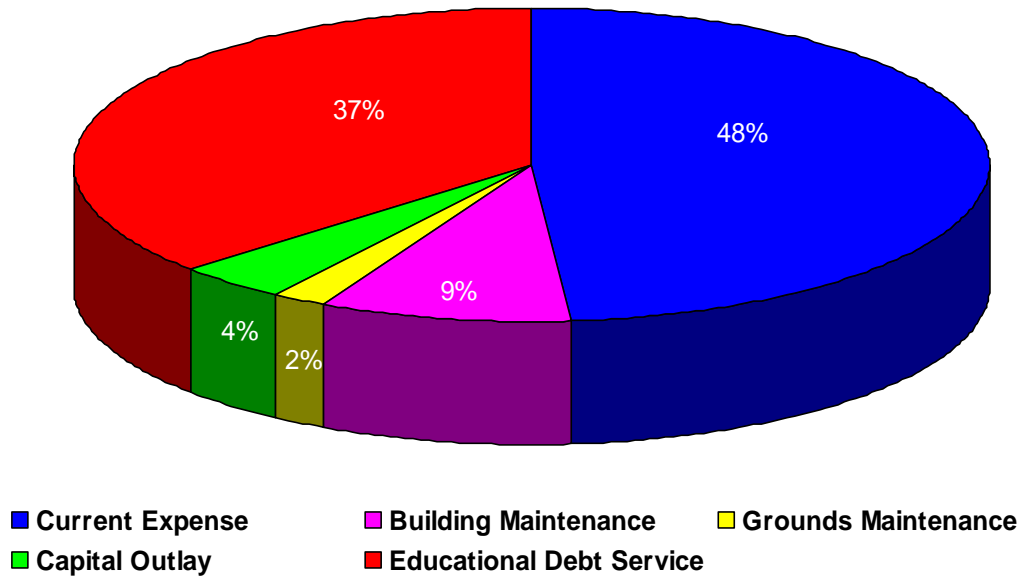
\* Includes start-up funds

The FY 2006 budget Cabarrus County schools capital outlay equals \$1,739,708. This amount includes \$150,000 in start-up costs for Pitt School Elementary. Kannapolis City Schools are budgeted to receive \$668,874 in capital outlay funding, including \$150,000 start-up costs for new middle school.



**TOTAL FY 06 PUBLIC SCHOOL SPENDING, BASED ON ADM ENROLLMENT OF 26,839**

<b>FY 06 PUBLIC SCHOOL APPROPRIATION</b>	<b>PER STUDENT</b>
Current Expense	1,057.42
Building Maintenance	195.45
Grounds Maintenance	39.14
<b>TOTAL CURRENT EXPENSE FUNDING</b>	1,292.01
Capital Outlay (includes new school startup costs)	89.74
Educational Debt Service	796.37
<b>TOTAL PER STUDENT FUNDING</b>	<b>2,178.12</b>



# PROGRAM SUMMARY

## FY 2006

**DEPARTMENT:** Debt Service

**PROGRAM:** Debt Service

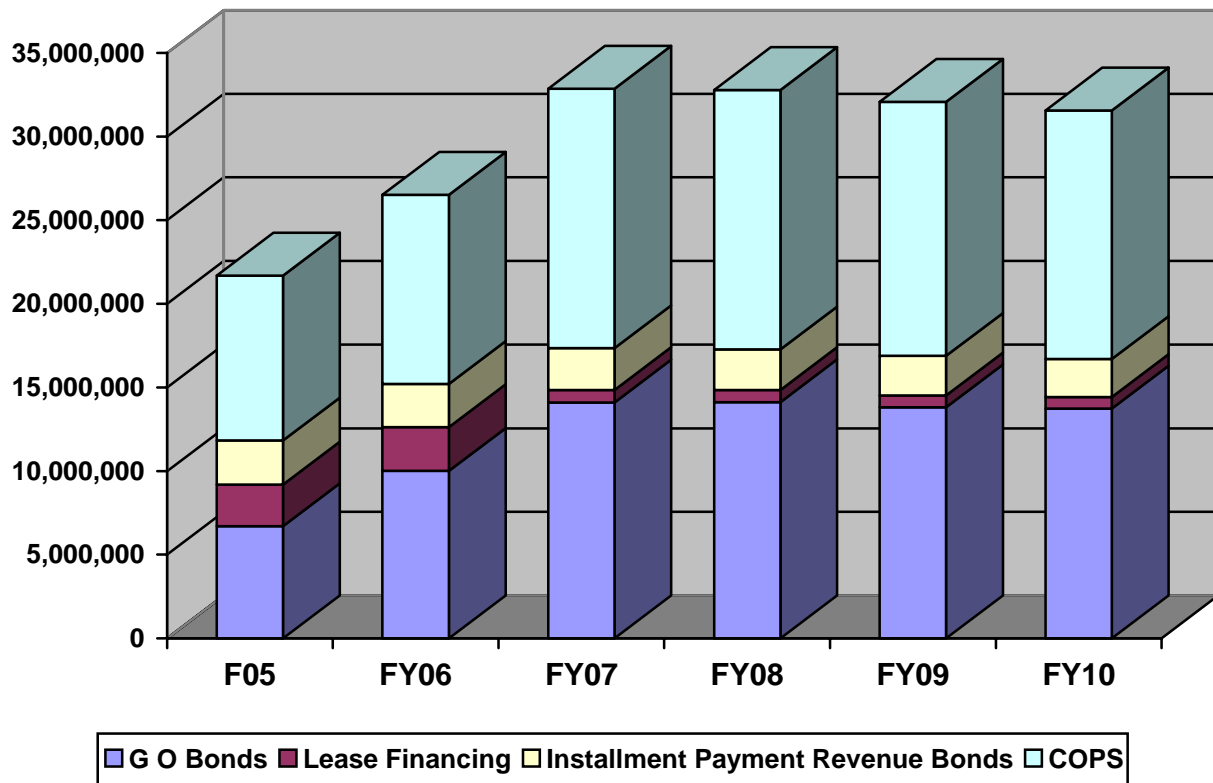
**MANDATED SERVICE:** G.S. 159-36, 159-25(a)(5)

### PROGRAM SUMMARY:

The debt service program is maintained to track the annual principal and interest requirements of bonds and lease financing agreements. The County has the following debt outstanding at June 30, 2005:

School Bonds – GO Bonds	\$93,282,382
Rowan Cabarrus Community College GO Bonds	579,206
Coddle Creek Reservoir GO Bonds	3,943,413
Schools – Lease Financing	1,801,483
Schools Installment Payment Revenue Bonds	21,000,000
Schools - COPS	76,279,250
Arena and Events Center – COPS	17,100,750
RCCC – Lease Financing	<u>4,358,000</u>

**TOTAL** **\$218,344,484**



**GENERAL OBLIGATION BONDS - PRINCIPAL AND INTEREST**

<b>BOND DEBT</b>	<b>ISSUE DATE</b>	<b>RATE</b>	<b>FY 2005 Actual</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>
Schools 2005	<b>3/1/2005</b>			1,600,000.00 2,058,300.00	1,600,000.00 1,994,300.00	1,600,000.00 1,946,300.00	1,600,000.00 1,898,300.00	1,600,000.00 1,846,300.00
Schools 2006	<b>6/1/2006</b>				2,415,000.00 1,994,307.08	2,420,000.00 2,301,398.50	2,420,000.00 2,205,082.50	2,420,000.00 2,104,652.50
Refunding - Schools 2004	3-15-04	3.0-5.0	440,000.00 1,255,353.89	165,000.00 1,416,950.00	170,000.00 1,412,000.00	1,875,000.00 1,406,900.00	1,945,000.00 1,350,650.00	2,605,000.00 1,292,300.00
School Series 1997	2-1-97	5.326	1,700,000.00 270,300.00	1,700,000.00 180,200.00	1,700,000.00 90,100.00			
Refunding - Schools	8-1-03	2.0-4.0	1,588,140.00 307,996.00	1,553,886.00 244,470.02	1,491,606.00 205,622.88	1,438,668.00 160,874.70	1,379,502.00 117,714.66	1,099,242.00 62,534.58
<b>Total Schools</b>			<b>3,728,140.00</b> <b>1,833,649.89</b> <b>5,561,789.89</b>	<b>5,018,886.00</b> <b>3,899,920.02</b> <b>8,918,806.02</b>	<b>7,376,606.00</b> <b>5,696,329.96</b> <b>13,072,935.96</b>	<b>7,333,668.00</b> <b>5,815,473.20</b> <b>13,149,141.20</b>	<b>7,344,502.00</b> <b>5,571,747.16</b> <b>12,916,249.16</b>	<b>7,724,242.00</b> <b>5,305,787.08</b> <b>13,030,029.08</b>
Refunding - RCCC	8-1-03	2.0-4.0	123,165.00 23,885.98	120,508.50 18,959.38	115,678.50 15,946.66	111,573.00 12,476.32	106,984.50 9,129.12	85,249.50 4,849.74
<b>Total RCCC</b>			<b>123,165.00</b> <b>23,885.98</b> <b>147,050.98</b>	<b>120,508.50</b> <b>18,959.38</b> <b>139,467.88</b>	<b>115,678.50</b> <b>15,946.66</b> <b>131,625.16</b>	<b>111,573.00</b> <b>12,476.32</b> <b>124,049.32</b>	<b>106,984.50</b> <b>9,129.12</b> <b>116,113.62</b>	<b>85,249.50</b> <b>4,849.74</b> <b>90,099.24</b>
Refunding - Water	8-1-03	2.0-4.0	838,695.00 162,652.16	820,605.00 129,104.36	787,715.50 108,589.22	759,759.00 84,957.76	728,513.50 62,164.98	580,508.50 33,024.44
<b>Total Water Series</b>			<b>838,695.00</b> <b>162,652.16</b> <b>1,001,347.16</b>	<b>820,605.00</b> <b>129,104.36</b> <b>949,709.36</b>	<b>787,715.50</b> <b>108,589.22</b> <b>896,304.72</b>	<b>759,759.00</b> <b>84,957.76</b> <b>844,716.76</b>	<b>728,513.50</b> <b>62,164.98</b> <b>790,678.48</b>	<b>580,508.50</b> <b>33,024.44</b> <b>613,532.94</b>
<b>Total Bonds</b>			<b>6,710,188.03</b>	<b>10,007,983.26</b>	<b>14,100,865.84</b>	<b>14,117,907.28</b>	<b>13,823,041.26</b>	<b>13,733,661.26</b>



**CAPITAL LEASES , INSTALLMENT PAYMENT REVENUE BONDS, AND COPS FINANCING - PRINCIPAL AND INTEREST**

<b>CAPITAL LEASES</b>	<b>ISSUE DATE</b>	<b>RATE</b>	<b>FY 2005 Actual</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>
Weddington Elementary	7-26-95	4.71	1,182,039.98 70,741.41	611,978.77 14,412.09				
Rocky River Elementary	1-24-96	4.29	1,140,071.76 87,841.34	1,189,505.48 38,407.62				
<b>Total Schools</b>			<b>2,322,111.74</b> <b>158,582.75</b> <b>2,480,694.49</b>	<b>1,801,484.25</b> <b>52,819.71</b> <b>1,854,303.96</b>				
Rowan Cabarrus Comm. College	4-12-05	3.54		622,571.42 148,763.44	622,571.42 126,724.42	622,571.42 104,685.38	622,571.42 82,646.36	622,571.42 60,607.33
<b>Total Capital Leases</b>			<b>2,480,694.49</b>	<b>2,625,638.82</b>	<b>749,295.84</b>	<b>727,256.80</b>	<b>705,217.78</b>	<b>683,178.75</b>
<b>INSTALLMENT PAYMENT REVENUE BONDS</b>								
New High School	6-1-99	5.19	1,500,000.00 1,142,250.00	1,500,000.00 1,073,250.00	1,500,000.00 1,002,750.00	1,500,000.00 930,750.00	1,500,000.00 857,250.00	1,500,000.00 783,000.00
<b>Total IPRB</b>			<b>2,642,250.00</b>	<b>2,573,250.00</b>	<b>2,502,750.00</b>	<b>2,430,750.00</b>	<b>2,357,250.00</b>	<b>2,283,000.00</b>
<b>COPS</b>								
3 New Schools	3-1-01	4.80	2,000,000.00 1,670,000.00	2,000,000.00 1,590,000.00	2,000,000.00 1,510,000.00	2,000,000.00 1,425,000.00	2,000,000.00 1,340,000.00	2,000,000.00 1,250,000.00
COPS - Schools 2002 issue	9-1-02	3.0 - 5.25	329,525.00 250,832.00	328,300.00 240,946.48	328,300.00 231,097.48	328,300.00 221,248.48	327,075.00 211,071.18	327,075.00 200,277.70
COPS - Schools 2003 issue	7-1-03	2.0 - 5.25	2,040,000.00 1,773,963.00	2,035,000.00 1,733,162.50	2,040,000.00 1,692,462.50	2,040,000.00 1,604,462.50	2,035,000.00 1,548,362.50	2,040,000.00 1,487,312.50
<b>Total Schools</b>			<b>8,064,320.00</b>	<b>7,927,408.98</b>	<b>7,801,859.98</b>	<b>7,619,010.98</b>	<b>7,461,508.68</b>	<b>7,304,665.20</b>
COPS - Expo 2002 issue	9-1-02	3.0 - 5.25	1,015,475.00 772,972.78	1,011,700.00 742,508.53	1,011,700.00 712,157.53	1,011,700.00 681,806.53	1,007,925.00 650,443.83	1,007,925.00 617,182.30
<b>Total Expo</b>			<b>1,788,447.78</b>	<b>1,754,208.53</b>	<b>1,723,857.53</b>	<b>1,693,506.53</b>	<b>1,658,368.83</b>	1,625,107.30
COPS - Law Enforcement 2006	<b>12-05</b>				3,055,000.00 3,265,300.00	3,055,000.00 3,143,100.00	3,055,000.00 3,020,900.00	3,055,000.00 2,868,150.00
<b>Total Law Enforcement</b>			<b>0.00</b>	<b>1,632,650.00</b>	<b>6,320,300.00</b>	<b>6,198,100.00</b>	<b>6,075,900.00</b>	<b>5,923,150.00</b>
<b>Total COPS</b>			<b>9,852,767.78</b>	<b>11,314,267.51</b>	<b>15,846,017.51</b>	<b>15,510,617.51</b>	<b>15,195,777.51</b>	<b>14,852,922.50</b>
Bank Service Charges			16,225.00	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00
<b>Annual Debt Service</b>			<b>21,702,125.30</b>	<b>26,621,139.59</b>	<b>33,298,929.19</b>	<b>32,886,531.59</b>	<b>32,181,286.55</b>	<b>31,652,762.51</b>

### LONG-TERM OBLIGATIONS

#### 1. Installment Payment Revenue Bonds

As authorized by State law (G.S. 160A-20 and 153A-158.1), the County financed various property acquisitions for use by Cabarrus County Board of Education during the fiscal year ended June 30, 2003 by installment purchase. The installment purchase was issued pursuant to a deed of trust that requires that legal title remain with the County as long as the debt is outstanding. The County has entered into a lease with Cabarrus County Board of Education that transfers the rights and responsibilities for maintenance and insurance of the property to the Board of Education. The lease calls for nominal annual lease payments and also contains a bargain purchase option. The lease term is the same as that of the installment purchase obligation. Due to

economic substance of the transaction, the capital assets associated with the installment purchase obligation are recorded by the Board of Education.

On June 15, 1999 the Cabarrus County Development Corporation issued \$30,000,000 in Installment Payment Revenue Bonds (IPRB) to finance the construction and equipping of a new high school. These 20-year IPRB's have interest rates ranging from 4.60% to 5.30%. Debt service is financed by Cabarrus County property tax revenues. Annual payments of principal and interest range from approximately \$2,900,000 to \$1,600,000. Total principal and interest over a 20-year period will be \$46,045,354.

For Cabarrus County, the annual debt service payments as of June 30, 2005, including \$8,209,500 in interest are the following:

<u>Year Ending, June 30</u>	<u>Principal</u>	<u>Interest</u>
2006	\$1,500,000	\$1,073,250
2007	1,500,000	1,002,750
2008	1,500,000	930,750
2009	1,500,000	857,250
2010	1,500,000	783,000
2011	1,500,000	708,000
2012	1,500,000	631,500
2013	1,500,000	554,250
2014	1,500,000	476,250
2015	1,500,000	397,500
Next 5 Years	<u>6,000,000</u>	<u>795,000</u>
Total	\$21,000,000	\$8,209,500

## DEBT SERVICE

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### 2. General Obligation Indebtedness

General obligation bonds are issued to provide funding for the construction of capital facilities used for general government activities. All general obligation bonds are collateralized by the full faith, credit, and taxing power of the County. Principal and

interest requirements are provided by appropriation in the year in which they become due.

The County's general obligation bonds payable at June 30, 2005 are comprised of the following individual issues:

Serviced by the County's General Fund:

\$49,000,000 School Serial Bonds due on August 1 and February 2 in installments through February 1, 2007; interest at 5.2 to 5.4 percent.	\$ 3,400,000
\$17,490,000 (2003) Refunded Bonds due on March 1 and September 1 in installments through March 1, 2012; interest of 2.0 to 4.0 percent	11,990,000
\$32,855,000 (2004) Refunded Bonds due on August 1 and February 1 in installments through February 1, 2018; interest at 3.0 to 5.0 percent	32,415,000
\$50,000,000 (2005) School Series Bonds due on March 1 and September 1 in installments through March 1, 2025; interest at 3.0 to 5.0 percent	<u>50,000,000</u>
	<u>\$ 97,805,000</u>

For Cabarrus County, the annual debt service payments to maturity as of June 30, 2005, for the County's general obligation bonds are as follows:

<u>Year Ending, June 30</u>	<u>Principal</u>	<u>Interest</u>
2006	\$5,960,000	\$4,047,984
2007	5,865,000	3,826,559
2008	5,785,000	3,611,509
2009	5,760,000	3,437,959
2010	5,970,000	3,239,009
2011	5,605,000	3,038,259
2012	5,665,000	2,832,140
2013	5,665,000	2,606,050
2014	5,655,000	2,345,800
2015	5,640,000	2,086,050
Next 5 years	23,535,000	6,435,250
To maturity	<u>16,700,000</u>	<u>2,098,650</u>
Total	\$97,805,000	\$39,605,219



### 3. Certificates of Participation

On March 1, 2001 the Cabarrus County Development Corporation issued \$40,000,000 in Certificates of Participation (COPS) Installment Contracts to finance the construction and equipping of two middle schools and one elementary school. These 20-year COPS have interest rates ranging from 4.0% to 5.0%. Debt service is financed by Cabarrus County property tax revenues. Annual payments of principal and interest range from approximately \$4,069,167 to \$2,100,000. Total principal and interest over a 20-year period will be \$61,199,167.

On August 28, 2002, the Cabarrus County Development Corporation issued \$26,390,000 in Certificates of Participation (COPS) to finance the construction and equipping of the Cabarrus County Schools Administration Building, five school gymnasiums, and the Cabarrus Arena & Events Center. The 20-year COPS have interest rates ranging from 3.0% to 5.25%. Cabarrus County debt service is financed by property tax revenues. Annual payments of principal and interest range from

approximately \$2,409,155 to \$1,396,500. Total principal and interest over the 20-year period will be \$38,718,153.

On August 1, 2003, the Cabarrus County Development corporation issued \$40,770,000 in Certificates of Participation (COPS) Installment Contracts to finance the cost of acquiring real property, construction and equipping of two elementary schools, one middle school, expansion of two existing elementary school facilities and various real and personal property improvements. These 20-year COPS have interest rates ranging from 2.0% to 5.25%. Debt Service is financed by Cabarrus County property tax revenues. Annual payments of principal and interest range from approximately \$3,813,000 to \$2,129,000. Total principal and interest over a 20-year period will be \$61,223,879.

For Cabarrus County, the annual debt service payments to maturity as of June 30, 2005, for the County's Certificates of Participation are as follows:

<u>Year Ending, June 30</u>	<u>Principal</u>	<u>Interest</u>
2006	\$5,375,000	\$4,306,618
2007	5,380,000	4,145,718
2008	5,380,000	3,932,518
2009	5,370,000	3,749,878
2010	5,375,000	3,554,773
2011	5,365,000	3,316,048
2012	5,370,000	3,078,578
2013	5,370,000	2,809,603
2014	5,370,000	2,539,303
2015	5,370,000	2,277,878
Next 5 Years	26,850,000	7,304,875
To maturity	<u>12,805,000</u>	<u>1,279,101</u>
Total	\$ 93,380,000	\$42,294,891

## DEBT SERVICE

### 4. Capital Leases

The County has entered into various agreements which qualify as capital leases under the provisions of Financial Accounting Standards Board Statement No. 13 "Accounting for Leases" and subsequent amendments.

On July 26, 1995, Cabarrus County executed a lease agreement with First Union National Bank. The lease agreement is for \$9.9 million for the construction of Weddington Hills Elementary School. The terms of the agreement stipulate semi-annual payments of \$1,252,782 for 10 years with the first payment due January 26, 1996 and the final payment due July 26, 2005. The annual interest rate is 4.71% fixed.

Also, on January 25, 1996, Cabarrus County executed a lease agreement with First Union National Bank. The lease agreement is for \$9.9 million for the construction of Rocky River Elementary School. The terms of the agreement stipulate semi-annual payments of \$1,227,913 for 10 years with the first payment due July 25, 1996 and the final payment due on January 25, 2006. The annual interest rate is 4.29% fixed.

The two \$9.9 million lease purchases above were issued pursuant to deeds of trust which require that legal title remain with the County as long as the debt is outstanding as authorized by NC General Statutes. The County has entered into a lease with Cabarrus County Board of Education, which transfers the rights and responsibilities for maintenance and insurance of the property to the Board of Education. Due to the economic substance of the transaction, the fixed assets associated with the installment purchase obligation are recorded by the Board of Education.

On April 12, 2005, Cabarrus County executed a lease agreement with RBC Centura Bank. The lease agreement is for \$4,358,000 for the construction and renovations to the old school administration building (future site of the RCCC Business Center), expansion of a parking lot and design cost for Building 3000 at the RCCC South campus. The terms of the agreement stipulate semi-annual payments of \$311,286 for 7 years with the first payment due October 12, 2005 and the final payment due on April 12, 2012. The annual interest rate is 3.54% fixed.

Annual debt service requirements to maturity for the County's capital leases are as follows:

<u>Year Ending, June 30</u>	<u>Principal</u>	<u>Interest</u>
2006	\$2,424,056	\$201,583
2007	622,572	126,725
2008	622,572	104,686
2009	622,571	82,646
2010	622,571	60,607
2011	622,571	38,568
2012	<u>622,571</u>	<u>16,529</u>
Total	\$ 6,159,484	\$631,344

### Long-Term Obligation Activity

The following is a summary of changes in the County's long-term obligations for the fiscal year ended June 30, 2005:

	<u>Balance</u> <u>July 1, 2004</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2005</u>
Governmental activities:				
General Obligation Bonds	\$52,495,000	\$50,000,000	\$4,690,000	\$97,805,000
Installment revenue bonds	22,500,000	- 0 -	1,500,000	21,000,000
Capital Leases	4,123,595	4,358,000	2,322,111	6,159,484
Certificates of participation	<u>98,765,000</u>	<u>- 0 -</u>	<u>5,385,000</u>	<u>93,380,000</u>
Total governmental activities	\$177,883,595	\$54,358,000	\$13,897,111	\$218,344,484



**CABARRUS COUNTY  
BUDGET ORDINANCE  
FISCAL YEAR 2005-2006**

**BE IT ORDAINED** by the Board of Commissioners of Cabarrus County, North Carolina:

Section I. General Fund

- A. It is estimated that the following revenues will be available in the General Fund for the fiscal year beginning July 1, 2005, and ending June 30, 2006:

Current Ad Valorem Tax Levy	86,386,104
Other Taxes and Penalties	30,482,750
Intergovernmental Revenue	15,807,640
Permits and Fees	5,081,950
Sales and Services	9,033,655
Investment Earnings	700,000
Other Revenue	78,860
<b>TOTAL REVENUES</b>	<b>147,570,959</b>

- B. The following appropriations are made in the General Fund for the operation of the county government and its activities for the fiscal year beginning July 1, 2005, and ending June 30, 2006:

General Government	19,707,599
Cultural and Recreational	3,390,347
Public Safety	17,846,467
Economic and Physical Development	5,211,924
Human Services	35,004,805
Environmental Protection	220,866
Education/School Debt	60,704,954
Other Programs	1,147,428
Other Debt Service	4,336,569
<b>TOTAL EXPENDITURES</b>	<b>147,570,959</b>

Section II. Cabarrus Arena and Events Center

- A. It is estimated the following revenues will be available in the Cabarrus Arena and Events Center for the Fiscal Year beginning July 1, 2005 and ending June 30, 2006:

Sales and Service	1,941,062
Investment Earnings	5,000
Other Revenue	1,500
Other Financing Sources	826,940
<b>TOTAL REVENUES</b>	<b>2,774,502</b>

- B. The following appropriations are made in the Cabarrus Arena and Events Center for the Fiscal Year beginning July 1, 2005 and ending June 30, 2006:

Administration and Operations	2,774,502
<b>TOTAL EXPENDITURES</b>	<b>2,774,502</b>

Section III. Landfill Fund

- A. It is estimated the following revenues will be available in the Landfill Fund for the Fiscal Year beginning July 1, 2005 and ending June 30, 2006:

Other Taxes	55,000
Permits & Fees	17,500
Sales and Service	945,000
Fund Balance Appropriated	232,369
<b>TOTAL REVENUES</b>	<b>1,249,869</b>

- B. The following appropriations are made in the Landfill Fund for the Fiscal Year beginning July 1, 2005 and ending June 30, 2006:

Administration and Operations	1,249,869
<b>TOTAL EXPENDITURES</b>	<b>1,249,869</b>

Section IV. Cabarrus County Convention and Visitors Bureau

- A. It is estimated the following revenues will be available in the Cabarrus County Convention and Visitors Bureau Fund for the Fiscal Year beginning July 1, 2005 and ending June 30, 2006:

Other Taxes	970,506
Sales and Service	20,800
Investment Earnings	9,000
Other Revenue	500
<b>TOTAL REVENUES</b>	<b>1,000,806</b>

- B. The following appropriations are made in the Cabarrus County Convention and Visitors Bureau Fund for the Fiscal Year beginning July 1, 2005 and ending June 30, 2006:

Operations and Reserve	1,000,806
<b>TOTAL EXPENDITURES</b>	<b>1,000,806</b>

Section V.

There is hereby levied a tax at the rate of 63 cents per one hundred dollars valuation of property listed for taxes as of January 1, 2005, for the purpose of raising the revenue listed as "CURRENT AD VALOREM TAX LEVY" in the General Fund.

This rate of tax is based on an estimated total valuation of property for the purposes of taxation of \$ 14,204,993,340 at an estimated collection rate of 96.53 percent. The estimated rate of collections is based on the fiscal year ending 2004. An estimated total valuation of Real, Personal and Public Service property is \$13,015,148,053 and vehicle of \$1,189,845,287.

Section VI.

- A. Special appropriations to non-profit organizations shall be distributed after the execution of an agreement which insures that all County funds are used statutorily permissible public purposes.
- B. The County Manager is hereby authorized to transfer appropriations within a fund as contained herein under the following conditions:
1. He may transfer amounts between objects of expenditures and revenues within a function without limitation.
  2. He may transfer amounts up to \$100,000 between functions of the same fund.
  3. He may not transfer any amounts between funds nor from any contingency appropriation within any fund without action of the Board of Commissioners.
  4. Additional authority is granted to the manager to transfer amounts within and between funds for the sole purpose of funding salary and benefits adjustments consistent with the Cabarrus County Personnel Management Policy and the Cabarrus County Personnel Ordinance.
  5. He may enter into and execute change orders or amendments to construction contracts in amounts up to \$25,000 when the appropriate annual budget or capital project ordinance contains sufficient appropriated but unencumbered funds.

6. He may award and execute contracts which are not required to be bid or which G.S. 143-131 allows to be let on informal bids so long as the annual budget or appropriate capital project ordinance contains sufficient appropriated but unencumbered funds for such purposes.
7. He may execute contracts with outside agencies to properly document budgeted appropriations to such agencies where G.S. 15 A-248(b), 259, 449 and any similar statutes require such contracts.
8. He may reject formal bids when deemed appropriate and in the best interest of Cabarrus County pursuant to G.S. 143-129(a).

Section VIII.

- A. This ordinance and the budget documents shall be the basis for the financial plan for the County of Cabarrus for the 2005-06 Fiscal Year. The County Manager and the Budget Officer shall administer the Budget. The Finance Director shall establish and maintain all records, which are in concurrence with this Budget and Budget Ordinance and the appropriate Statutes of the State of North Carolina.

Adopted this the \_\_\_\_ of June, 2005.

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Carolyn B. Carpenter, Chairman

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Frankie F. Bonds, Clerk to the Board



**CABARRUS COUNTY BUDGET ORDINANCE  
SPECIAL FIRE AND SERVICE DISTRICT TAXES FUND  
FISCAL YEAR 2005-2006**

**BE IT ORDAINED** by the Board of Commissioners of Cabarrus County, North Carolina:

Section I.

It is the intent of the Special Fire and Service District Taxes Fund to provide necessary funds to local nonprofit volunteer fire departments in unincorporated areas of Cabarrus County for the purpose of providing fire protection. Upon recommendation from the local nonprofit volunteer fire department and its appointed Fire commission, the Board of County Commissioners does hereby levy the tax on Real, Personal and Public Service property located in each specific designated fire or service district. Such funds collected by the County Tax Collector are then remitted to each fire department for the purpose of providing fire protections to the specific taxed area.

Section II.

The following amounts are hereby appropriated in the Special Fire and Service District Tax Fund to provide for the operation of rural volunteer fire services for the fiscal year beginning July 1, 2005 and ending June 30, 2006:

<b><u>Fire Department</u></b>	<b><u>Appropriation</u></b>
Allen	\$ 154,840
Cold Water	127,839
Enochville	48,299
Flowe's Store	134,105
Georgeville	99,947
Gold Hill	19,520
Harrisburg	1,059,665
Jackson Park	83,087
Midland	219,741
Mt. Mitchell	42,393
Odell	190,238
Rimer	83,012
Winecoff - Contracted to City of Kannapolis	9,170
Northeast	51,670
Mt. Pleasant Rural	135,332
Richfield-Misenheimer	6,763
<b>Total Estimated Expenditures From Tax Levy</b>	<b>\$ 2,465,621</b>

Section III.

It is estimated that the following revenues will be available for the various fire and service districts for the fiscal year beginning July 1, 2005 and ending June 30, 2006:

<b><u>Fire Department</u></b>	<b><u>Revenues from Tax Levy</u></b>
Allen	\$ 154,840
Cold Water	127,839
Enochville	48,299
Flowe's Store	134,105
Georgeville	99,947
Gold Hill	19,520
Harrisburg	1,059,665
Jackson Park	83,087
Midland	219,741
Mt. Mitchell	42,393
Odell	190,238
Rimer	83,012
Winecoff - Contracted to City of Kannapolis	9,170
Northeast	51,670
Mt. Pleasant Rural	135,332
Richfield-Misenheimer	6,763
<b>Total Revenues From Tax Levy</b>	<b>\$ 2,465,621</b>

#### Section IV.

The following tax rates are hereby established for the fiscal year beginning July 1, 2005 and ending June 30, 2006 for the purpose of providing fire services within the various fire and service districts in Cabarrus County. The tax rates are based on estimated total valuation of properties as of January 1, 2005. The estimated rate of collections is 96.53 percent and is based on the fiscal year ending 2004. In accordance with previous action by the Board of County Commissioners, the County collection fee is set at 1.5%. The taxes will be collected by the Cabarrus County Tax Collector, as provided in G.S. 69-25.4:

<b>Fire Districts</b>	<b>Total Valuation</b>	<b>Rate</b>	<b>Amount Produced</b> (96.53% collection rate)
Allen	377,493,172	.04	\$ 154,840
Cold Water	259,103,577	.05	127,839
Enochville	126,204,190	.04	48,299
Flowe's Store	334,459,039	.04	134,105
Georgeville	173,777,870	.06	99,947
Gold Hill	32,792,065	.06	19,520
Harrisburg	1,372,491,151	.075	1,059,665
Jackson Park	186,256,092	.045	83,087
Midland	510,776,899	.055	219,741
Mt. Mitchell	85,953,261	.05	42,393
Odell	637,331,428	.03	190,238
Rimer	138,705,512	.06	83,012
Winecoff - Contracted to City of Kannapolis	24,576,519	.035	9,170
Northeast	85,984,201	.06	51,670
Mt. Pleasant Rural	299,640,709	.045	135,332
Richfield-Misenheimer	9,844,786	.07	6,763

#### Section V.

The County Manager is hereby authorized to transfer appropriations within a fund as contained herein under the following conditions:

1. He may transfer amounts between objects of expenditures and revenues within a department without limitation.
2. He may transfer amounts up to \$25,000 between departments of the same fund.
3. He may not transfer any amounts between funds nor from any contingency appropriation within any fund without action of the Board of Commissioners.
4. He may enter into and execute change orders or amendments to construction contracts in amounts up to \$25,000 when the appropriate annual budget or capital project ordinance contains sufficient appropriated but unencumbered funds.
5. He may award and execute contracts which are not required to be bid or which G.S. 143-131 allows to be let on informal bids so long as the annual budget or appropriate capital project ordinance contains sufficient appropriated but unencumbered funds for such purposes.
6. He may execute contracts with outside agencies to properly document budgeted appropriations to such agencies where G.S. 15 A-248(b), 259, 449 and any similar statutes require such contracts.
7. He may reject formal bids when deemed appropriate and in the best interest of Cabarrus County pursuant to G.S. 143-129(a).

Section VI.

Copies of this Budget Ordinance shall be furnished to the Tax Administrator and to each fire department for direction in the carry out of their duties and are available for public inspection.

Adopted this the \_\_\_\_ day of June, 2005.

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Carolyn B. Carpenter, Chairman

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Frankie F. Bonds, Clerk to the Board