

BUDGET MESSAGE

May 31, 2004

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

Honorable Chairman and Board Members:

The annual budget serves as a planning document and a spending plan. It describes the levels of service provided by the various county programs and their costs. It includes a capital improvement plan, which is a schedule for future capital projects and a method for funding them. The budget also includes a 5-year financial plan, which projects county spending, over that period, within the fiscal constraints of existing revenue sources, including the current 56 cents property tax rate.

The proposed Cabarrus County budget for fiscal year 2005 totals \$135,508,148, representing a decrease of one-third of one percent over the current year's budget. It meets the Board's goal, established last year, of maintaining the county's tax rate at 56 cents.

The general fund, totaling \$131,576,201, decreases by a little more than one-half percent over the current year. Despite that overall decrease, education spending increases by almost 9 percent, or \$4.3 million. **The increase in education spending was achieved by decreasing spending in every other service area.** These reductions will affect the way we do business, but we will strive to shield our citizens from any potential ill-effects as a result.

Last year's budget message described the fiscal 2004 spending plan within the context of several Board-approved goals from a January, 2003 work session. In the following pages, some of those goals will be revisited. I'll describe our progress toward meeting them, related efforts in the fiscal 2005 budget, and new Board approved goals from its January 2004 planning retreat.

Retain the current property tax rate of 56 cents per \$100 of value

Last year, the Board decided a property tax rate of 56 cents was fair and reasonable and that current and future county expenditures and levels of service should be based on the amount of revenue that rate produces. The 5-Year Financial Plan, first instituted last year, relies upon that tax rate, as does the proposed budget for fiscal 2005.

Using a statutory formula, in fiscal 2005, normal growth in the tax base accounts for a 4.8 percent increase. Additionally, a countywide property revaluation becomes effective this year, boosting the total tax base by another 12.6 percent. Consequently, maintaining the 56 cents tax rate is the equivalent of a 6.27 cents tax increase over the current year's rate. It is important to note, however, that property tax values for each year since the last revaluation in 1999 are based on 1999 market rates. Increases in property tax revenue during those years were the result of new construction only, since the tax rate was reduced to 59 cents in 1999, 56 cents in 2000, and remained unchanged since then. In fact, comparing inflation adjusted dollars, tax payers have paid less each year in property taxes since 1999.

Maintain the county's sound fiscal condition

The county's sound fiscal condition was acknowledged by the 3 major bond rating agencies last March when they announced its AA rating had been maintained despite local economic hardships like the closing of Pillowtex.

Good management practices and the county's conservative financial and budgetary policies (see page 5) are the foundation of its long-standing sound fiscal condition. Chief among those policies is one that establishes a goal of retaining an undesignated fund balance equal to at least 15 percent of general fund expenditures. A fund balance, or "cash reserve," at that level assures adequate cash-flow, generates interest income, assists in maintaining an investment-grade bond rating and sustains operations during emergencies and disasters.

Fund balance accumulates by spending less money than is collected through the various revenue sources. A sizable fund balance was accumulated in fiscal 1999 due to a tax settlement with a large corporate tax payer. The money in excess of the 15 percent fund balance guideline was used to balance the budget in fiscal years 2002 (\$13.7 million) and 2004 (\$12.9 million). The use of excess fund balance those years prevented tax increases of 12.71 cents and 11.38 cents, respectively.

For fiscal 2005, the fund balance will equal about 15% of expenditures, leaving none available to spend. Maintaining the current tax rate of 56 cents balances revenues and expenses and ensures obligations will be met and county services will be delivered without interruption, at levels generally the same as those being delivered now. Reducing the tax rate below 56 cents will result in laying off about 33 employees for each penny reduction and the likely closing of one or more county departments.

Five Year Financial Plan

Retaining the current property tax rate of 56 cents and maintaining the county's sound fiscal condition year after year requires planning and discipline. Accordingly, the proposed 2005 budget includes a **Five Year Financial Plan** created specifically for that purpose (page 33). This Plan includes projections for the General Fund as well as the Solid Waste Enterprise Fund and Arena and Events Center Special Revenue Fund.

The Five Year Financial Plan addresses the Board's priorities and goals, including providing adequate resources for educational operating expenses, continuing all existing county programs at or near current service levels, opening 3 new schools in the next 18 months and constructing and operating a new jail (slated to open in 2007), all the while maintaining a property tax rate of 56 cents.

Capital spending, shown in each year of the Five Year Financial Plan as a lump sum, is described in the Capital Improvements Plan (CIP) beginning on page 296. With the exception of the 3 schools and the jail mentioned above, capital spending within the five year planning period is quite meager. Also, it is important to note that the Five Year Financial Plan only provides funding for projects to which the Board has already committed. The addition of new projects, such as those currently being considered by the Board-appointed *Community Committee on Education Capital Planning and Financing*, will require an increase in the property tax rate. The committee's recommendation is expected to be presented in June.

Throughout the 5 year planning period, fund balance fluctuates very little, remaining within an acceptable range. Starting out the first year at 15.2 percent, it dips just slightly below 15 percent in years 2, 3 and 4. In year 5 it returns to 15 percent.

Plan and construct a jail and justice center to meet the county's current and future needs

In May 2002, a study commissioned by the Board projected space requirements for the sheriff's office and jail for a 15-year period. Because of continuing steep growth trends, current site constraints and the sizable public investment to construct a new facility, the study was expanded in fiscal 2004 to consider Sheriff's Office and jail space requirements for a 40 to 50 year period. To make the planning effort comprehensive, identifying court facility needs for the same period was also included.

The study was completed by the architectural firm of Ware Bonsall. Preliminary plans call for the construction of a new Sheriff's Office and a nearly 600 bed, expandable jail across the street from the existing courthouse on Corban Avenue in downtown Concord.

Construction documents will be complete by late 2004 or very early 2005. Certificates of participation to finance construction are expected to be sold in 2005, but the budgetary impact of the debt service will be delayed until fiscal year 2007 by capitalizing the first year's interest. The new Sheriff's Office and jail facility is expected to open by early 2007. Expansion of the courthouse is expected to be 8 to 10 years from now.

Develop new economic development strategies

Since this goal was discussed in January 2003, much has happened. In July of that year, the county's largest employer, Pillowtex, announced it was closing its doors permanently. Over 3000 county residents lost their jobs as a result.

Our community has struggled to help those out of work, and those whose businesses were affected by the Pillowtex collapse. The plight of the former Pillowtex workers has been lessened by the generous contributions of many individuals, businesses and foundations. Cooperative Christian Ministry and the Department of Social Services formed a valuable partnership to serve those left unemployed in the wake of Pillowtex's closing, distributing money for emergency assistance, and matching them with other resources available from a variety of sources.

Pillowtex's closing has led to a collective community conclusion: We must do more to foster economic development in Cabarrus County.

At its January 2004 retreat, the Board discussed this issue and agreed on several elements that should be included in a successful economic development effort:

- The promotion of entrepreneurship and wealth creation, which, among other benefits, leads to new jobs.
- The county and municipalities should identify and properly zone specific areas for future employment (industrial, commercial, office, and retail activities).
- Attention should be given to the retention and expansion of existing businesses in the county.
- Greater effort should be made in providing educational opportunities to provide for a more capable work force.

The Board concluded its discussion by agreeing to support a private sector initiative seeking to identify ways in which the community can become more effective in the economic development arena, and to consider that group's findings and recommendations before pursuing any other economic development efforts.

That group of business people hired the Frank Hawkins Kenan Institute of Private Enterprise, the outreach arm of the Kenan-Flagler Business School at The University of North Carolina at Chapel Hill, to assist them in their efforts to make Cabarrus County competitive and attractive for future business development and employment growth.

That group met twice and has issued its first report, which includes the following findings, perceptions, concerns and recommendations (references to "Cabarrus County" do not refer to Cabarrus County government, but to the community as a whole):

1. Cabarrus County lacks strategic direction.
2. Cabarrus County needs to develop a brand.
3. Cabarrus County business leaders must play a greater role in economic development.
4. Cabarrus County must improve communication and coordination.
5. Cabarrus County should leverage the assets of the University of North Carolina at Charlotte to gain comparative advantage in the motor sports industry.
6. Cabarrus County needs to develop stronger political ties in Raleigh and Washington, DC, as well as regionally in western North Carolina.
7. Cabarrus County should strive to create a sustainable community.

I don't think anyone could reasonably disagree with these 7 items. This group of business leaders is developing a recommendation, to be presented to the County Commissioners and the municipalities, on how an effort might be structured to address these issues. Some of these business leaders also serve on the county's economic development board, which should lead to a cooperative venture in moving toward a more comprehensive and coordinated economic development effort.

The proposed budget for fiscal 2005 includes an appropriation of \$438,835 for the economic development corporation, matching the contributions made for the last 3 years. That funding should be used to support the existing EDC while a new effort and structure is developed. The new effort should include significant funding from the private sector, and membership on its board should be limited to contributors. Each local government should also be represented on the board, and likewise, they should all be contributors. I do not recommend contributing county funds to any economic development effort outside of county government that does not include significant private funding.

Whatever form the county's new economic development effort takes, its efforts should be coordinated with those of the tourism authority, which oversees the convention and visitors bureau. The CVB's budget is twice that of the existing EDC. Those resources must be used in a way that not only develops the tourism and visitor industry, but that also contributes to broader economic development efforts through marketing and branding campaigns.

Education and Growth Management

The issues of education and growth management were discussed in the Board's 2003 and 2004 retreats and on several other occasions. These two issues are intricately related and have enormous budgetary implications.

Providing funds to operate the county's school systems and meet their capital needs is becoming increasingly more difficult. As mentioned earlier, spending in all general fund service areas was reduced in the proposed fiscal 2005 budget so spending in education could be increased.

As long as residential growth outstrips the growth of business-related development, it will be impossible to maintain a 56 cents tax rate and meet the financial obligations that result from adding 1000 students each year. School projects currently being considered to meet the needs of the next 5 years will result in a tax increase of between 7 and 11 cents, depending upon how they are funded. Preliminary work, based on current growth trends, indicates the cost of projects for the following 5 years will be over \$250 million, resulting in further tax increases over that period of at least another 15 cents. Additionally, the county's share of the school systems' operational costs increases by about \$2 million each year (and that number will continue to escalate). At the same time, ever-increasing enrollment at Rowan-Cabarrus Community College results in growing operating expenses and the need for new and expanded facilities.

The type of growth Cabarrus County is experiencing simply cannot be sustained. The need for growth management is clear. The Board has discussed it on many occasions and recently convened a forum on that topic (along with other development issues) attended by representatives of Cabarrus County, Concord, Kannapolis, Huntersville and Davidson. The issue has been discussed throughout the community for several years.

The time for discussion has ended. Now is the time for action. The destiny of this county is in the hands of the several elected boards, and if they do not act together, then their individual efforts will be futile.

I urge the county's local governments to jointly take the 3 following actions:

-Identify areas for future employment and apply zoning regulations accordingly. Too much land is zoned for residential uses and too little is zoned for employment. More than half our workforce commutes out of the county each day. We must provide adequate land for employment opportunities here and we must have the tax base growth associated with business development to support the increasing costs of public services such as schools.

-Develop and apply new residential zoning regulations that require more sustainable, mixed-use developments. Large residential developments should include employment and retail components to ensure economic sustainability. This type of development also assists in achieving environmental sustainability by reducing the need for travel, a very important consideration now that our region has failed to achieve EPA air quality standards.

-Develop and implement an aggressive, integrated and comprehensive economic development effort in partnership with the business community. In Cabarrus County, the investment in residential development is double that of employment-related business development. This must be reversed or tax rates will skyrocket, public services (including education) will erode and our quality of life will be drastically diminished.

These 3 actions are consistent with the Board's planning goals developed over the last year and a half. For these actions to be successfully executed, the entire community must be engaged and all the county's local governments must participate and cooperate.

The good news is that it's not too late to act and the community is capable of pulling together and moving ahead. We only get the bad news if we fail to heed the warnings and do nothing.

This budget message has focused more on the major issues facing the county rather than the details of the proposed budget. I'm convinced that is the context within which the budget should be considered. For details, there is a concise summary of expenditures and revenues beginning on page 1, and thorough explanations of county programs, services and expenses are found in the program summaries, beginning on page 39. The county staff and I look forward to assisting you in reviewing the proposed budget.

I appreciate the efforts of the many people who contributed to the preparation of this document. I asked the department directors to develop budgets that once again reduce spending while still achieving their missions. Once again, they came through for me and I greatly appreciate their efforts.

As usual, the budget staff has performed excellent work. I offer my gratitude to Cathie Straub, budget officer, and Becky Crabtree, budget analyst. Special thanks also go to Pam Dubois, deputy county manager, Susan Fearington, assistant finance director and Shelley Farris, accounting operations supervisor for their extra efforts.

Finally, I wish to thank you for the wonderful opportunity you have given me. I have the best job in the county and I am most appreciative. I am proud to serve as your chief executive, and humbled by the confidence you have placed in me.

Respectfully submitted,

John Day
County Manager

ADDENDUM TO THE BUDGET MESSAGE

Upon motion of Vice Chairman Suggs, seconded by Commissioner Privette with Vice Chairman Suggs, Commissioner Privette and Chairman Freeman voting for and Commissioners Carruth and Carpenter voting against, the Board set the County tax rate at 53 cents per \$100 valuation of property with no cuts in County services or employees; approved the Cabarrus County Budget for FY 2004-2005, including the revisions that have occurred since the preliminary budget was presented, the changes proposed by Commissioner Carpenter to reduce the tax rate by one cent and an appropriation of approximately \$2.6 million from fund balance; and adopted the Cabarrus County Budget Ordinance Fiscal Year 2004-2005.

Upon motion of Commissioner Carpenter, seconded by Commissioner Carruth and unanimously carried, the Board adopted the Cabarrus County Budget Ordinance Special Fire and Service District Taxes Fund Fiscal Year 2004-2005.

REVISIONS TO THE PRELIMINARY FY 2005 BUDGET:

GENERAL GOVERNMENT:

➤ **Board of Commissioners**

Travel reduced \$8,000

➤ **County Manager**

Travel reduced \$500 and Dues and Subscriptions reduced \$500

➤ **Public Information**

Event expense reduced \$1,000, Advertising expense reduced \$500 and Marketing Activities reduced \$10,000

➤ **Human Resources**

Legal fees reduced \$2,000, Travel reduced \$500 and Training and Education reduced \$1,000

➤ **Tax Collector**

Travel reduced \$500

➤ **County Assessor**

Travel reduced \$1,000 and Dues and Subscriptions reduced \$500

➤ **Board of Elections**

Adverting reduced \$500

➤ **Register of Deeds**

Travel reduced \$500

➤ **Information Technology Services (Systems)**

Training and Education reduced \$1,000

➤ **Geographic Information Services**

Training and Education reduced \$500

➤ **General Services**

Facility Services Uniforms reduced \$1,000 and Janitorial Supplies reduced \$500

PUBLIC SAFETY:

➤ **Sheriff's Department**

The U. S. Department of Justice awarded a grant totaling \$117,144 to provide three resource officers for the schools. A Deputy Sheriff position for Communications totaling \$40,751 was reinstated.

➤ **Construction Standards**

Travel reduced \$3,000

ECONOMIC AND PHYSICAL DEVELOPMENT:

➤ **Commerce**

Dues and Subscriptions reduced \$500

➤ **Environmental Protection**

Travel reduced \$500

HUMAN SERVICES:

➤ **Cooperative Extension**

Travel reduced \$500

➤ **Mental Health**

Reduced FY 2005 contribution \$46,648 or 6.87% from the FY 2004 contribution. Rent expense contribution of \$33,862 was transferred to Building and Equipment Rentals.

➤ **Social Services**

Adult and Family Services request for a full time Social Worker position was denied; therefore, funding of a Corestaff temporary staff worker (Supplemental Personnel Services) of \$36,125 was provided to work with the aged and disabled individuals enabling participants to remain in the home. Off setting revenue of \$27,094, 75% reimbursement from the state, was not deleted from the Preliminary FY 2005 budget. County cost to maintain this position is approximately \$9,031.

ENVIRONMENTAL PROTECTION:

➤ **Soil and Water Conservation**

Dues and Subscriptions reduced \$ 1,000

OTHER PROGRAMS:

- Commissioners Contingency decreased \$ 21,840.

DEBT SERVICE:

➤ School Debt:

General Obligation Bonds School principal increased \$ 440,000 and General Obligation Bonds School interest decreased \$449,646. A net decrease of \$9,646.

GENERAL FUND PERSONNEL SERVICES ADJUSTMENTS:

➤ Personnel Adjustments:

General Fund payroll adjustment for the payrolls of April 8, 2004, April 23, 2004, May 7, 2004 , May 21, 2004 and June 4, 2004 constituting an increase of \$ 159,152.

GENERAL FUND REVENUE ADJUSTMENTS:

➤ Revenues:

Increased Sales Tax – County \$58,020

Decreased Ad Valorem Tax – Current Year \$ 3,704,882

Decreased Vehicle Tax – Current Year \$ 325,679

Contribution from the Capital Reserve Fund of \$1,250,000

Fund Balance Appropriated \$ 2,687,040

SPECIAL FIRE AND SERVICE DISTRICT TAXES FUND:

➤ Fire Districts:

Midland Fire District current rate of .0550, a decrease of .0050, new rate .05

General Fund FY 2005 Preliminary Budget changes reflects a net increase of \$81,643.

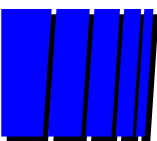
CABARRUS COUNTY CONVENTION AND VISITORS BUREAU:

A motion was made by Roger Haas with a second by Sharon Campbell to designate any unallocated operating fund balance remaining on June 30, 2004 above and beyond the 8% as designated by this board as operating reserve, for operational contingencies. Motion carried.

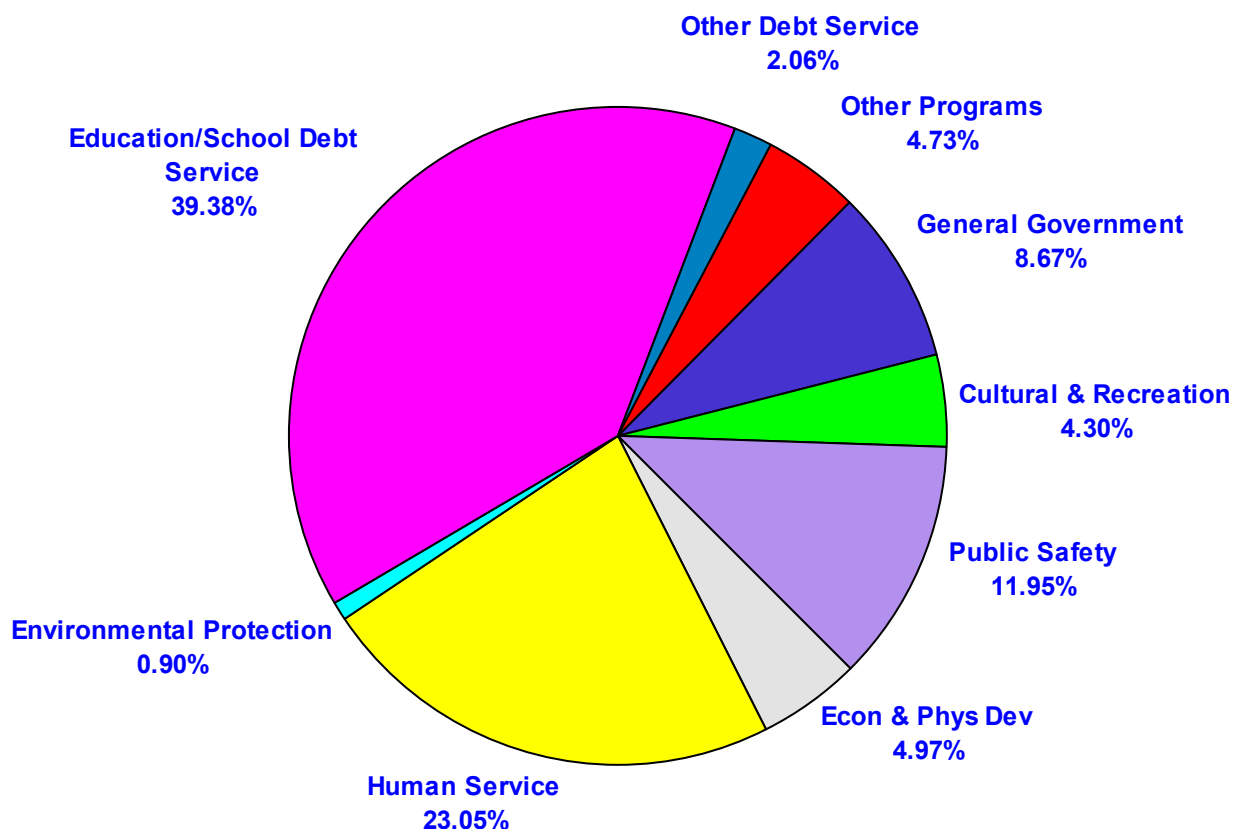
Cabarrus County Board of Commissioners' motion on July 26, 2004 affirming the Tourism Authority designation of fund balance:

Upon motion of Commissioner Carpenter, seconded by Acting Chairman Carruth and unanimously carried, the Board affirmed the following action taken by the Cabarrus County Tourism Authority (Convention and Visitors Bureau) on May 26, 2004:

A motion was made by Roger Haas with a second by Sharon Campbell to designate any unallocated operating fund balance remaining on June 30, 2004, above and beyond the 8% as designated by this board as operating reserve, for operational contingencies. Motion carried.



FY 2005 Expenditures *By Service Area* *\$135,589,791*



BUDGET SUMMARY

■ **EXPENDITURE SUMMARY BY SERVICE AREA, ALL FUNDS**

Expenditures for FY 2005 total \$135,589,791 – a 0.64% decrease from amended FY 2004. Pursuant to the Cabarrus County Personnel Management Policy, salaries were increased 1.5%.

The following summary beginning on page 21 provides expenditure comparisons for the fiscal years 2003-2005 for each department, grouped by service area. The PERCENT CHANGE column indicates the percentage change in expenditures from FY 04 to FY 05. The PERCENT OF TOTAL column shows the percentage of total expenditures represented by each object. Below are brief descriptions of each service area, along with highlights of expenditures.

General Government

This service area, which accounts for \$11,751,732, or 8.67% of total expenditures, provides the administrative support of county government, as well as physical plant operations. This area is responsible for the general operation of the county and is funded primarily by tax revenue. The funding level for this service area decreased 1.35% over FY 2004. The Board of Commissioners' budget reflects an increase of approximately 5.05% over the amended fiscal year 2004 budget.

Deputy Clerk to the Board and County Attorney positions were implemented into the FY 2004 budget effective March 19, 2004 and February 16, 2004, respectively. The County Attorney serves as legal adviser to the Board of Commissioners and all county departments and agencies. This new position decreases the county's legal consultant expense by approximately 50% and reduces legal fees by 40%. A part-time Office Assistant position was reclassified on March 5, 2004 to a full-time Secretary position constituting approximately \$8,500 additional FY 2004 expenditures.

The County Manager's budget reflects an increase of 5.66%, which primarily is a salary expenditure due to the July 21, 2003 reorganization applicable to the interim County Manager and Deputy County Manager/Operations positions. In addition, the FY 2005 budget reflects a 25% reduction in the consultant expense.

The initial implementation of a Public Information Office, responsible directly to the County Manager, is part of the fiscal year 2005 budget. The department was established to ensure a more effective dissemination of public information. To create this department, fiscal year 2005 expenditures totaling \$168,247 were redirected from Information Services' Administration and Systems budgets. Plus, two newly created expenses totaling \$38,920 were implemented. An addition of \$4,000 has been allocated for County Government Week event expenses, and \$34,920 has been allocated for marketing activities including a quarterly county news magazine to be distributed through two local newspapers.

The Human Resources area constitutes an increase of 8.15% over the amended fiscal year 2004 budget. Part of this increase will fund a salary study to ensure an equitable and comparable pay plan for county positions. The physical relocation of the Human Resources function from the County Manager Office in March 2004 will result in enhanced service and operation efficiencies. In addition, the part-time Intern position was eliminated as a cost savings measure.

The Tax Collection department has decreased its budget by 7.08%, from the amended fiscal year 2004. These reductions come from several areas. The Ambulance Billing area of the Tax Office was transferred to the Emergency Medical Services in August 2003. This change enhances ambulance collections while establishing the cost in the Emergency Medical Services budget. Advertising decreased due to a reduction in the per-inch cost for advertisements as well as the County Manager's recommendation to list only delinquent taxpayers in one newspaper. Vehicle payments are being accepted over the Internet via an application developed by the Cabarrus County Information Technology Department, and payment of vehicle bills now can be administered via credit or debit cards.

The Tax Administration Department fiscal year 2005 budget request decreased by 9.74% from the amended fiscal year 2004 budget. Part of this reduction comes from the completion of the 2004 property revaluation and its incorporation in the fiscal year 2005 budget. In addition, positions for two temporary tax clerks and one temporary revaluation project manager were deleted with the completion of the 2004 Revaluation, representing a reduction of \$91,279 in the fiscal year 2005 budget. The purchased services expense was reduced 70% with the elimination of the W.P.F. Inc. contract. Print costs were reduced by placing downloadable forms and information on the Internet. There is a major reduction in the Printing and Binding expense of 61.5%. Actual expenditures for the last two fiscal years have been less than 20% of the budgeted amounts. Lastly, the fiscal year 2005 budget appropriates \$60,000 in the Purchased Service expense to conduct audits, which will enhance the in-house audit program.

The Board of Elections budget increased 5.88% over fiscal year 2004. This is represented partly by a postage expense that has increased due to the "No Contact" mailing after every federal election and the anticipated mailing of active registered voter's "New" identification card. These new cards will be mailed to voters displaying the N.C. State and House new voting districts. New voting equipment is slated to be purchased in December 2005. The fiscal year 2005 budget appropriates \$22,000 for independent testing of the new equipment by outside sources rather than a vendor. The Federal and State Standards determine the type of voting equipment to be used by various counties in the state, and the State Board directs our local Cabarrus County Board of Elections. The Board of Elections will conduct three elections: the Presidential primary, a second primary if needed, and the Presidential/Federal/State/Local General Elections.

The Register of Deeds budget increased 0.91% over fiscal year 2004. The Information Technology Services expense increased with the indexing and imaging of approximately 4,000 additional documents at \$3.95 per documents. A scanner request was denied. The department will begin imaging vital records enabling the certification and/or copying of documents from the computer rather than using the original books. Old land record documents also will be imaged and added to the Intranet and Internet site. A departmental request for an additional Deputy Register of Deeds position was denied.

The Finance Department budget decreased 7.05% over the amended fiscal year 2004. The Finance Department deleted the Supplemental Personnel Services expense of \$3,000 for a temporary summer intern. This position assisted with the transfer of information from the ending fiscal year to storage and other accounts payable duties. Bank Service Charges were reduced 78.4% with the implementation of a new bank via a bid contract. National travel expense was deleted constituting a decrease of 27.4%. In addition, Printing and Binding, Minor Office Equipment and Dues and Subscriptions were reduced as a cost savings measure in the fiscal year 2005 budget. The Information Services – Administration budget decreased 16.45% from the amended FY 2004 budget.

In the Information Services budget, two Public Information Coordinator positions and a temporary part-time Intern position were transferred with other related operational expenses totaling \$113,706 to the newly established Public Information Office. The Analyst/Programmer position was denied, and the consulting services expense of \$50,000 was not reinstated. The training budget was reduced as a cost saving measure. In addition, the Systems expense decreased 13.49% over fiscal year 2004. The local telephone expense for county departments was transferred to this department in the fiscal year 2004 budget enabling the county to reflect a decrease of 10.1% in the fiscal year 2005 budget. Server software licenses, client software licenses and patch cables requests were reduced approximately 42.7% in the Minor Office Equipment and Furniture expenditures. Requests for a gigabit main data switch of \$70,000 and an access control system for the second floor governmental center in order to provide better security totaling \$36,000 were denied. The Geographic Information Services budget decreased 12.87% over amended fiscal year 2004 budget. A request to expand the functionality and data enhancements for the ArcIMS (Internet Mapping Service) site of \$15,000 was denied. The Internet Mapping Service software allows the county to provide digital mapping via the Intranet and Internet of county directories such as parcels, roads, streets and addresses.

The Grounds Maintenance budget represents an increase of 4.53% over fiscal year 2004. A Grounds Maintenance Worker position was transferred to the newly established Arena Grounds Maintenance fiscal year 2005 budget. The position was used throughout the county operations as well as the Arena; however, during FY 2004 the position became full time at the facility. The transfer will reflect a more accurate reporting of the grounds maintenance expenses in the Arena budget. The request for a Grounds Maintenance Worker to assist at the North Cabarrus Park and Camp Spencer was denied. The fiscal year 2005 budget provides three salt/slag spreaders for inclement weather totaling \$10,500, contractual county park repairs of fence and dam repairs totaling \$35,000 and building and grounds materials of gravel, screening, mulch, pesticides, herbicides totaling \$94,500. A request to repave the Frank Liske Park parking lot of \$20,000 was denied.

The General Services' Administration budget reflects a 2.58% increase over fiscal year 2004. Heat, lights, and power expenses totaling \$113,000 were added to the FY 2005 budget in order to maintain the Rowan-Cabarrus Community College administration facility on Concord Parkway. A Grounds Maintenance telephone expense of \$4,524 was transferred to this budget. The Street Sign Maintenance budget request for a Building Maintenance Mechanic position was denied; however, an additional \$5,000 appropriation was approved in Supplemental Personnel Service. The Building Maintenance budget provides major plumbing, rollup doors installation, and HVAC and structural repairs totaling \$65,000. Request for two Maintenance Mechanic positions to perform routine maintenance and repairs to the county facilities, plumbing, HVAC, electrical, structural and hardware systems was denied. The fiscal year 2005 budget appropriated approximately \$180,500 to complete the animal shelter door replacement and floor repair, governmental center parking deck repairs and skylight repairs and Frank Liske Park barn floor replacement. The request for Contingency funding of \$60,000 was denied.

Facility Services' request to use four existing positions (one full-time position and three part-time positions) in order to implement a floor care crew was denied. The Departmental request was to utilize the employees currently working at the Cabarrus Health Alliance for the floor care crew, because the county's contract to provide custodial services to the Cabarrus Health Alliance and the Home Health Facility will terminate effective June 30, 2004. The request for one Senior Custodial

position to supervise the crew was denied. The elimination of one full-time and three permanent part-time custodian positions represents a cost reduction of \$77,238 in the FY 2005 budget. A van to be used by the custodial floor/carpet care employees was denied.

The Fleet Maintenance budget represents an increase of 8.47% over fiscal year 2004. The request to increase the hours of a part-time Secretary position to full time was denied. Printing and Binding, Telephone and Uniform expenditures reflect the increase in the operational budget. Service work orders have increased by approximately 15% in the last year due to additional miles driven by the Sheriff's Department vehicles, additional vehicles added to the fleet, the age of the fleet, as well as increased mileage in other departments which causes more preventive maintenance, extensive repairs, and an increase in paperwork.

Cultural and Recreational

This service area, which consists of Recreation (Administration) and three parks, the county-operated library in Kannapolis, Concord, Mt. Pleasant, and Harrisburg, and The Cabarrus Arena and Events Center totaling \$2,722,005, or 2.% of total expenditures. This service area constitutes total fiscal year 2005 expenditures of \$5,823,769 or 4.30% of total expenditures. The Recreation Department has developed relationships with the State, local cities, and private donors for land and other funding. Recreation Department budget reflects a 25.56% decrease over fiscal year 2004. April 2004 a Recreation Program Specialist full time position was transferred to the Department of Aging Senior Services budget to facilitate the Senior Games. A full time Administrative Assistant position was not budgeted as a cost savings measure in the FY 2005 budget process. Implementation of a criminal background screening for all volunteer coaches in the youth athletic programs was approved with the FY 2004 budget. The FY 2005 appropriates \$17,000 for this purchased service. The annual budget request of \$50,000 for Matching Incentive Grants to provide seed money for civic and community groups to construct, improve, or acquire recreational and park facilities in Cabarrus County was denied as a cost savings measure. A request for replacement bleachers at four school sites was approved, totaling \$6,000. A Travel Expense reduction of \$5,500 was implemented which includes travel for mileage/training and conferences. Camp Spencer represents a 27.1% increase over the amended FY 2004 budget. A request of 60 additional hours for Park Rangers due to the increase of park operating hours was recommended constituting \$509 increase. Recreation Facility Operator temporary part time hours were increased 160 hours for each of the three part time operators. The increase of 480 hours will increase the boat dock personnel at the park. Current expansion at Camp Spencer will include a new bathhouse for the campgrounds and four new camping cabins. FY 2005 Lights/Power expense reflects a full year of operation. The Frank Liske Park fiscal year 2005 budget reflects an 12% decrease over the amended FY 2004 budget. The Frank Liske temporary part time hours reflects expenditures of employees working at Camp Spencer and North Cabarrus. Effective July 1, 2004, the Finance Department will implement a time sheet program in order to facilitate employees to record the hours worked at each park, respectively. Concession operations for the athletic softball concession facilities will be privatized with the fiscal year 2005 budget process versus in-house operations. Purchased services for labor of \$15,000 and purchase for resale items totaling \$10,000 were eliminated. The new private contract will provide a 15% profit to the county. North Cabarrus Park reflects an increase of 14.7% over FY 2004 because of an increase of 350 additional part time Park Ranger hours. Fiscal year 2005 budget will not reflect a contribution to the Capital Projects Fund for park expansion.

Concord Public Library represents a 5.5% decrease over fiscal year 2004. The Concord Library's request to reclassify a Librarian to a Library Branch Supervisor was approved. However, a request to reclassify a part time Library Assistant position to a full time Library Assistant was denied. Circulation Stock (books) was reduced \$30,000 as a cost savings measure. Requests for a high density periodical display, color laser printer and four personal computers were denied. The Kannapolis Library represents a 10.8% decrease over the amended fiscal year 2004 budget. A request of increased hours and benefits for a part time Library Assistant position to assist in the Internet area of the Reference/Adult services section was denied. The Mt. Pleasant Library decreased 10.7% over the fiscal year 2004. A request to increase a part time Library Assistant hours from 19 hours to 25 hours weekly was denied. The Harrisburg Library fiscal year 2005 budget reflects a 2.1% decrease over the amended FY 2004. The request for a part time Library Assistant to focus on the management of Library internet area was denied. Grant funding will be used at the Mt. Pleasant Library and the Harrisburg Library in order to upgrade public computers. .

The Cabarrus Arena and Events Center is a multi-use facility unique to the region. This fund reflects a 3.78% decrease over fiscal year 2004 budget. The FY 2005 budget includes one-time expenses totaling \$6,200. The General Fund fiscal year 2005 operating budget provides a contribution of \$737,385, a 17.97 decrease over the amended fiscal year 2004. The Cabarrus Arena and Events Center encompasses six department budgets in order to facilitate cost centers applicable to the service provided: County Fair, Food Services, Building Maintenance, Facility Cleaning Services and effective July 1, 2004 Grounds Maintenance. The Arena and Events Center request for a full time Sales and Advertising Representative was denied. A request increasing three existing Laborer positions from a .48 FTE to .75 FTE or approximately 1,248 additional hours was denied; however, an additional \$7,500 was appropriated to the existing positions. The request to increase the current Office Assistant position from 25 hours to 30 hours per week was denied. A request for three Event Workers at a .38 FTE or an additional

2,370 hours was denied; however an additional \$7,000 was appropriated to the existing positions. Capital outlay requests for a Scissor Lift, 14' Pipe and Drape System and a Gator/Cushman Utility vehicle were denied. The County Fair budget reflects a 14.6% decrease over the fiscal year 2004 budget. FY 2004 one-time expenditures totaling \$40,500 to facilitate livestock panels and additional exhibit display props was eliminated. The Food Services budget totaling \$263,500 provides for the management and operations of food and beverage services and reflects a 39.2% decrease over the fiscal year 2004 amended budget. The Management Fee expense was reduced \$70,000. This service is contracted and operated by Compass Group, a large multi-divisional firm headquartered in Charlotte, North Carolina with significant resources and multiple support options. The initial Grounds Maintenance budget was implemented in the FY 2005 budget at the Arena. This budget will dictate a more accurate cost of maintaining the Arena Complex. A full time position was transferred from the County's Grounds Maintenance budget and a request for a full time Grounds Worker was denied. A request for a 4 X 4 pickup truck was denied. The Building Maintenance budget totaling \$434,180 reflects a 3.4% decrease over the amended FY 2004 budget. The Building Maintenance area is responsible for planning, directing and providing cost-effective maintenance and repairs to the Arena, Event Center and Gold Hall totaling 190,000 square feet. Maintenance and repairs requests totaling \$25,000 includes purchased services funding for painting, roll up door installation and repair, major plumbing, electrical, HVAC and Structural repairs, concrete work, etc. was recommended. Facility Cleaning Services reflects a 3.8% decrease over the amended FY 2004 budget. A request to increase four part time Custodial positions to full time was denied.

Public Safety

This area consists of departments that provide law enforcement and other services to protect the lives and property of the residents of Cabarrus County, as well as ensure safety in the construction of buildings. Animal control, courts, emergency management, emergency medical services and the newly established Non Emergency Transportation are found in this area, which accounts for 11.95% of total expenditures, or \$16,207,506. The Sheriff's Department budget reflects a 5.21% increase over the amended fiscal year 2004 budget. The budget provides capital outlay purchases of 10 patrol cars totaling \$205,230. Capital outlay requests totaling \$31,000 for a RTR-4 portable digital x-ray system to be used by the Bomb Squad, a portable multimedia projector and an educational robot to enhance youth educational programs were denied. A Lieutenant new position request was denied. A Deputy Sheriff position for the 911 Communications Center was approved by the Board with the adoption of the fiscal year 2005 budget. The U. S. Department of Justice awarded a grant totaling \$117,444 to provide three resource officers for the schools. Revenue was established and three additional Deputy Sheriff's positions were created. The Jail budget represents a 9.07% increase over fiscal year 2004. The Jail fiscal year 2005 budget request for two sergeant positions and one deputy sheriff position were approved. The jail staffing was increased to address the current needs and the major overcrowding in the jail. Aramark administers the food service contract reflects an increase of \$62,987 or a 15.5% increase over the amended FY 2004 budget. Southern Health Partners contract providing inmate medical health services was increased \$24,163 due to an increase in inmate average daily population. Purchased services expense provides \$57,400 to provide housing of overcrowded inmates once the general population of 220 inmates is reached. The Animal Control Budget request for two 4 X 4 replacement trucks was denied. The Courts had maintained separate budgets for Building Maintenance and Facility Services; however, these expenses will be reflected in one budget in the FY 2005 budget. The Courts budget provides for miscellaneous repainting and an elevator jack replacement. A maintenance contingency expense was deleted in the fiscal year 2005 budget.

The Construction Standards (Building Inspections) fiscal year 2005 budget reflects a 3.34% increase over the amended fiscal year 2004 budget. This increase is primarily in the salary and benefits expenses. As of January 2004, Cabarrus County Construction Standard online commercial plans review is operational. Emergency Management reflects a 63.71% decrease over the amended FY 2004 budget. This decrease is primarily reflected in the salary expenditure because of the July 21, 2003 reorganization applicable to the Deputy County Manager/Operations position. The county participates in two Terrorism grants with the state; however, a budget amendment is generated during the year when additional funding is actually received. Fund balance appropriation for unused fiscal year 2004 monies is usually generated in September 2004. Emergency Medical Services budget reflects a 0.76% decrease over the amended FY 2004 budget. The budget provides for an E350 Type III ambulance remount totaling \$55,000 and \$120,000 overtime pay. Effective January 9, 2004, the county implemented a non emergency transportation budget. This service will provide quality stretcher transport services to citizens requiring less than emergency level response. This budget recommends an E350 Type III ambulance totaling \$70,000; however, Transportation Grant revenue of \$63,000 will offset this expenditure.

Economic and Physical Development

The programs in this service area provide for the orderly planning (Commerce) of growth and development in Cabarrus County. Also, The Cabarrus County Convention and Visitors Bureau, community development, environmental protection, zoning administration and economic development incentives are found in this area, which constitutes 4.97% of total expenditures, or \$6,739,516. The Cabarrus County Convention and Visitors Bureau (CVB) budget totaling \$949,271 reflects a 7.24% increase over the amended fiscal year 2004 budget. The Convention and Visitors Bureau (CVB) is a separate entity;

however, legislation is mandated for its creation and approval of the annual budget is required by the Board of Commissioners. The Tourism Authority (CVB) is Cabarrus County's marketing organization. The Authority plans to place a greater emphasis on sports marketing and work to attract more sporting events and tournaments. The FY 2005 budget recommends a Sports Marketing Manager position totaling \$53,349, only after the formulation and implementation of a comprehensive economic development strategy. The CVB allocated \$100,000 to the Cabarrus Arena and Events Center to provide improvements.

The Commerce Department (Planning) reflects a 4.36% increase over the amended fiscal year 2004 budget. A fee structure change was implemented July 1, 2004. Travel expense was increased approximately \$1,500 to provide economic development courses. The Community Development FY 2005 budget decreased 4.22% over the amended FY 2004 budget. A county match of approximately \$40,000 will be required for the HOME program. Environmental Protection reflects a 1.73% increase over FY 2004. The sediment and erosion control staff will continue to be heavily involved in the implementation of the Environmental Protection Act (EPA) phase II of storm water requirements throughout the county. Zoning Administration increased 2.06% over FY 2004. Another component of this area is the Economic Development Incentives program that gives grants back to businesses for industrial and commercial development in Cabarrus County. Economic Development Incentives reflects a 13.93% decrease over the amended FY 2004 budget. Corning Incentive decreased \$261,520 or approximately 13%. Concord Mills incentive of \$2.8 million is the same as FY 2004. Other incentives include, Southern Packaging, Builders Supply and British Oxygen Company (BOC). Financial incentives totaling \$4.7 million are budgeted to several firms that have constructed or expanded facilities in the county.

Human Services

Human Services includes the programs that contribute to the individual needs of citizens in the areas of veteran's benefits, transportation, home economics and agriculture, mental health, welfare and aging department activities. Largely supported by state and federal funds, many of these programs are mandated by the state and federal governments. Expenditures in Human Services represent 23.05% of total expenditures. It is the second largest service area in terms of expenses. FY 2005 expenditures are \$31,255,458, a 7.06% decrease over amended FY 2004. Veterans Service request for a full time Office Assistant position was denied. Printing and binding, travel and dues and subscriptions were reduced as a cost savings measure.

Transportation was reflected in the Economic and Physical Development area of the FY 2004 budget; however, this service was transferred to the Human Services when the county incorporated the contracted transportation service, CCTC, into the county budget as of January 9, 2004. The initial budget established ten full time driver positions, 10 part time driver positions, one operations manager, two driver supervisors and two office assistant positions. The FY 2005 budget appropriated an additional transportation supervisor position and four driver full time positions. Transportation budget includes funding for Medicaid transportation mandated by Title XIX of the Social Security Act, which directs the county to provide transportation for medical care for Medicaid eligible recipients who have no other means of transportation to access this care. This budget approves funding for six replacement vans totaling \$193,800 and two additional cutaway buses totaling \$91,700. Ninety percent (90%) of the transportation services capital outlay funding will be reimbursed by 5311 grant funding. The county has contracted with the City of Concord to provide a parallel bus transportation route for county residents accessed with disabilities as required by the Americans with Disability Act (ADA). The transportation employees partners with the non emergency service area enabling the county to continue to provide the non emergency transportation service in a cost effective manner by coordinating trips and providing the most cost effective level of response.

The Cooperative Extension fiscal year 2005 budget reflects a 16.45% decrease over the amended FY 2004. This decrease is primarily attributed to the reduction in fiscal year 2005 funding of the Cooperative Extension School Age Grant. A budget amendment will be generated if funding is received in FY 2005. Cooperative Extension reflects an increase in salaries and benefits expense of approximated 4% as requested the state. Mental Health funding constitutes a 18.37% decrease from the amended FY 2004. FY 2005 funding provides funding at the fiscal year 2004 level of \$679,007 and a rent allocation of \$33,862, reflecting a total appropriation of \$ 712,869.

The Department of Social Services Administration budget decreased 7.07% over amended fiscal year 2004 budget. Effective July 1, 2004, thirteen positions (salaries and benefits) will be transferred from one area of the Social Services budget to the area that will depict a more accurate representation of administrative cost. The Administration Operations of the budget reflects a 8.7% increase over the amended fiscal year 2004 budget. Three major factors attributing to this increase are the four positions transferred from other locations within the budget, the Millennium Contract (Contracted Personnel Services) expense and the addition of a DSS Attorney approved by the Board on January 26, 2004. The four positions transferred include two computer technical positions, a processing assistant and an office assistant position transferred from the Child Welfare and Economic Services budgets. The Millennium Group contract initiated September 1, 2003 to provide the outsourcing of the front desk activities at Social Services increased approximately 34.3% or \$48,136. The Minor Office expense was reduced 78.2% over the amended FY 2004 budget. However, the budget provides funding for 25 personal computer replacements and four personal computer notebooks. Public Assistance decrease 4.6% over the amended FY 2004 budget. The Special Assistance to Adults

(50% state funding and 50% county funding) decreased 11.6% over the amended FY 2004 budget. The county elected to use the state estimate for Special Assistance expense based on historical data. Medicaid expenditure reflects a 2.6% reduction over the amended FY 2004 budget. Medicaid cost estimates provided by the state have been historically higher for the past three years than actual expenditures. Fiscal year 2005 budget is based on current spending with a thirteen percent (13%) increase.

The Child Welfare fiscal year 2005 budget reflects a 3.8% decrease over the amended fiscal year 2004 budget. However, a Social Worker III position was implemented in October 2003 to order to handle additional children placed in foster care. The state recommended the upgrade of seventeen (17) Social Worker III positions via a study completed by the Office of State Personnel which identified severe turnover and retention issues in the area of child protective services investigations and treatment. This budget recommends the upgrade of the positions with a net county cost of \$13,138. The FY 2005 recommends the conversion of a part time (.75%), Social Worker II position to full time and a Social Worker III position. Foster Care has experienced a 37% increase in children being placed in the custody of Social Services in the past year. The Departmental request of \$66,000 in Supplemental Personnel Services was denied; however, the Board established a temporary part time Social Worker III position (39 hours weekly). Purchased Services expense rendered by Day Mark was funded at the FY 2004 level of \$26,036.

Child Support Services fiscal year 2005 budget reflects a 5.6% decrease over the amended FY 2004 budget. Contracted Personnel Services provides a child support agent to assist with the location of absentee parents of \$23,100; however, this is a reduction of \$300 from the FY 2004. The purchased services expense provides funding of \$ 9,928 for a private investigator to locate absentee parents and serve warrants (outside of the county); however, this is a reduction of \$6,144 from the FY 2004. Legal Fees were reduced approximately 82.6% with the additional staff attorney position implemented January 2004.

Economic Services reflects a 7.7% increase over the amended FY 2004 budget. The fiscal year 2004 budget reflects four Income Maintenance Caseworkers II positions implemented effective January 23, 2004 to assist with the increased caseloads as a result of the Pillowtex closing and related economic downturn. The FY 2005 budget approved the transfer of a part time Spanish Interpreter position to full time and one full time Income Maintenance Supervisor II. A request for one Income Maintenance Caseworker III full time position was denied. Food Stamp Benefit Card administered by Electronic Benefit Transfer (EBT) increase approximately 12.4%. The Community Alternative Program (CAP) reflects a 17.1% decrease over the amended FY 2004 budget. The growth projected in FY 2004 did not occur and the program has been slower to rebound after the freeze on new clients in October 2001. The FY 2004 projection of 240,000 hours needed for In Home Aides equated to approximately 190,000. Therefore, the FY 2005 budget projects approximately 210,000 hours based on the reduced number of hours expected to be provided in FY 2004. A request for a full time Social Worker II position and a full time Social Worker Supervisor II was denied. Adult and Family Services FY 2005 budget reflects a 2.2% decrease over the amended FY 2004 budget. A request for a full time Social Worker II position was denied. The Board restored \$36,125 in the Supplemental Personnel Services budget with the denial of the Social Worker II position. Supplemental Personnel Services was reduced approximately 20.5% because two temporary social worker positions were terminated with the closing of the Service Center located at Kimball Lutheran Church in Kannapolis, North Carolina. Emergency Assistance FY 2005 budget reflects a 64.3% decrease over the amended FY 2005 budget. Cannon Trust provided a contribution of \$402,500 to the Economic Disaster Fund in assist Pillowtex employees due to plant closing. Foster Care Adoption Assistance reflects a 14.6% decrease over the amended FY 2004 budget. FY 2005 budget was reduced based on the historical data for the past three years. Adoption assistance is an annual allocation for children that have been adopted who have special needs. Children become ineligible for this benefit at age eighteen (18). Child Day Care budget decreased 8.7% over FY 2004 amended budget; however, 100% funding is provided by federal/state agencies. The state is reducing the county's FY 2005 child day care funding.

The Nutrition Title III fiscal year 2005 budget reflects a 4.8% decrease over the amended FY 2004 budget. In December 2003, a Consumer Directed Services Grant was incorporated to develop a new service delivery system for the aging population. Food expense was reduced \$10,000 due to the Consumer Directed Services program. The Consumer Directed Services allows the recipients to select the service they wish to purchase. The Senior Services FY 2005 budget reflects a 11.3% increase over the amended FY 2004. In April 2004, a full time Recreation Program Specialist position was transferred from the Recreation Administration budget in order to enhance the participation and delivery of the Senior Games Program and develop a Senior Volunteer Program. The In Home Aide Services fiscal year 2005 budget reflects a 5.7% increase over the amended FY 2004 budget. Part time employees have been unable to provide the in home service aide responsibilities; therefore, purchased service was decreased to provide funding of the Consumer Direct Services program.

Environmental Protection

Environmental quality and safety are provided by the programs in this service area which consists of the soil and water conservation and the sanitary landfill/recycling division. Accounting for \$1,215,291, or .90% of total expenditures, all three annually budgeted accounting activities are represented in this service area, with the bulk of revenues provided through fees for service. The Watershed FY 2005 budget reflects a 3.14% decrease over the amended FY 2004 and provides funding for

restoration of stream channels. The Solid Waste Management (Landfill) budget totaling \$998,056 provides two roll-off box replacements totaling \$5,200. A replacement TD-15 Dozer totaling \$145,000 was approved. Engineering expense increased approximately 63% to facilitate the construction of the new Construction and Demolition (C&D) expansion area. Building and Grounds maintenance provides erosion control totaling \$12,000 for grass seed and fertilizer. Recycling drop-off centers for glass, aluminum and steel cans, plastic and commingled paper are accepted in containers at three locations. Household hazardous waste is collected at the county's permanent facility located on General Services Drive adjacent to the Fleet Maintenance Facility.

Education/School Debt

Education is the largest service area in terms of its portion of total expenditures; accounting for 39.38%, or \$53,396,314, this area includes funding for the two public school systems in Cabarrus County and Rowan-Cabarrus Community College and the debt associated with providing new facilities and/or renovations of current facilities. Exclusively tax revenues provide funding for public education current expense and capital outlay. Educational funding for schools: Current Expense appropriation increased the per pupil ADM allocation from \$961.11 to \$975.53, a 1.5% over FY 2004. Current expense funding for the Cabarrus County Schools is \$22,142,714 (increase of 942 students), a 5.9% increase over FY 2004. Kannapolis City Schools current expense funding is \$3,382,028 (increase of 179 students), a 7% increase over FY 2004. 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, in order to provide building maintenance, grounds maintenance, and fiber optic cabling based on ADM funding. The final installment payment of \$32,500 was due and payable on August 3, 2003 for the fiber optic cabling. Building Maintenance appropriation increased the per pupil allocation from \$188 to \$190.82, a 1.5% increase over the FY 2004 budget and the Grounds Maintenance per pupil allocation from \$37.67 to \$38.23, a 1.5% increase over the FY 2004 budget. The Cabarrus County Schools will receive building maintenance funding of \$4,331,258 and grounds maintenance of \$ 661,547 based on the ADM Per Capita Distribution of 86.75%. The Kannapolis City Schools will receive building maintenance funding of \$661,547 and grounds maintenance of \$132,538 based on the ADM Per Capita Distribution of 13.25%. The FY 2005 budget reflects the total current expense Average Daily Membership (ADM) per pupil allocation increase of \$17.80 (\$1,186.78 to \$1,204.58) equating to \$1,796,117:

Current Expense	\$ 1,454,703
Building Maintenance	284,533
Grounds Maintenance	56,881
Total:	<u>\$ 1,796,117</u>

FY 2005 capital outlay funding of \$1,485,604 is based on the ADM (Average Daily Membership) percentages for Cabarrus County Schools and Kannapolis City Schools. Cabarrus County Schools will receive \$1,288,761 (86.75%). Kannapolis City Schools will receive \$196,843 (13.25%).

Start-up costs totaling \$150,000 for the new Bethel Elementary School was appropriated.

Rowan Cabarrus Community College (RCCC) fiscal year 2005 appropriation of \$988,669 will provide operational costs for the local facilities, representing an 8.2% increase over amended FY 2004. Current expense funding provides plant operations of \$558,482, plant maintenance of \$157,145, two Cosmetology leases at the Cloverleaf Plaza totaling \$214,000, equipment and minor renovations of \$42,282 and operational expenses such as telephones, professional and liability insurance totaling \$16,760.

School Debt Service includes principal and interest payments, totaling \$ 18,765,280, or 13.84% of total expenditures. Certificates of Participation (COPS) financing for the replacement for Bethel Elementary, a new elementary school on Pitts School Road, a new middle school in Kannapolis, additions to two elementary schools in Kannapolis and school-park athletic facilities at each was issued in August 2003 of approximately \$40,770,000. The issue in August 2003 constitutes additional principal and interest totaling \$2,758,253 in the fiscal year 2005 budget or .1470% of the total school debt. The new Bethel Elementary School will open in August 2004. The additional two schools will open in August 2005.

The Board authorized RCCC Installment Financing on February 16, 2004 of approximately \$4.5 million for an additional parking lot at the south campus, renovations, technology and furniture for the new business center at the old School Administration Building and design fees for Building 3000 on the south campus. The initial installment financing totaling \$341,875, (one-half year) principal of \$250,000 and \$91,875 interest is appropriated in the FY 2005 budget.

Other Programs

This area includes many programs that are not related to any particular department or service area. Total expenditures equal \$7,147,794 or 5.27% of total spending. Programs in this service include Non-Departmental, Capital Improvement Projects, Contributions to Other Funds, and Contributions to Other Agencies. Funding for this service area decreased approximately 16.53% over the amended FY 2004. Capital Improvement Projects funding for projects \$100,000 or more constitutes the major area of reduction, 75.28% over amended FY 2004 budget.

Some of the expenditures in the Non-Departmental program are transferred to other programs throughout the year (e.g., merit salary adjustments and contingency). Salary adjustment expense of \$250,000 for merits was reinstated in the FY 2005 budget. The Board suspended development increases and merit increases in the FY 2004 budget in January 2003. Other Benefits expense provides for the appropriation of hospitalization and life insurance expense for approximately 77 retirees and an estimated eight retirees in FY 2005, totaling \$452,592. Unemployment Compensation expense increased approximately .2% over the amended FY 2004 budget. Commissioners' Contingency was reduced from the standard appropriation of \$250,000 to \$155,217 as a cost savings measure.

Contribution to Other Funds amounts to approximately \$4.6 million. The largest contribution of \$3,540,624 provides funding for the Cabarrus Health Alliance. The Board appropriated additional funding of \$10,762 for the West Nile Virus. County financial support follows previous commitments to fund CHA through per capita adjustments based on population growth. CHA provides community health services to all county residents. Capital Projects Fund was not funded in the FY 2005 budget. A contribution of \$737,385 to the Cabarrus Arena and Events Center for operations of the facility was appropriated. Also included is the mandated funding of the Pension Trust Fund of \$358,891, an 11.3% increase over the FY 2004 budget.

Other contributions totaling \$1,434,283 reflects a 40.8% decrease over the amended fiscal year 2004 budget. The county's commitment of \$1million to the YMCA was completed. The county's continued support of the Cabarrus Arts Council of \$26,000 and Special Olympic totaling \$33,430 are reflected in this area of the fiscal year 2005 budget.

Other Debt Service

This area funds principal and interest charges on county debt other than schools incurred on bonds and installment purchases for construction projects and equipment and are contained in the General Fund. Construction projects include the Coddle Creek reservoir and the FY 2002 Certificates of Participation issue for the Cabarrus Arena and Events Center facility. This service area accounts for 2.06%, or \$2,789,796, of total expenditures. School debt service is accounted for in the Education Section and amounts to \$18,765,280, or 13.84% total expenditures. Also, Rowan Cabarrus Community College principal and interest totaling \$488,926 is reflected in the Education Section.

The County's current debt obligations at July 1, 2004 are approximately \$182 million. The County's debt per capita using an estimated population of 138,160 would be \$1,317.

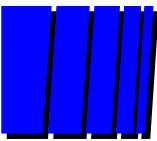
**SUMMARY OF EXPENDITURES BY SERVICE AREA
ALL FUNDS**

	Actual FY 03	Amended FY 04	Adopted FY 05	Percent Change	Percent of Total
<u>General Government</u>					
Board of Commissioners	341,362	501,360	526,683	5.05%	0.39%
County Manager	442,789	336,904	355,964	5.66%	0.26%
Public Information	0	0	206,667	0.00%	0.15%
Human Resources	242,581	314,801	340,451	8.15%	0.25%
Revenue Collections	709,889	656,292	609,805	-7.08%	0.45%
Tax Administration	1,640,911	1,936,160	1,747,489	-9.74%	1.29%
Board of Elections	359,818	498,251	527,540	5.88%	0.39%
Register of Deeds	686,848	744,391	751,192	0.91%	0.55%
Finance	1,049,062	793,014	737,119	-7.05%	0.54%
Information Services - Administration	747,702	786,477	657,105	-16.45%	0.48%
Information Services - Systems	909,045	1,064,819	921,218	-13.49%	0.68%
Geographic Information Services	363,393	326,677	284,632	-12.87%	0.21%
Grounds Maintenance	779,687	800,385	836,630	4.53%	0.62%
General Services Administration	2,725,080	2,912,269	2,987,455	2.58%	2.20%
Fleet Maintenance	217,083	241,345	261,782	8.47%	0.19%
TOTAL	11,215,250	11,913,145	11,751,732	-1.35%	8.67%
<u>Cultural & Recreational</u>					
Cannon Memorial Library	2,220,283	2,407,055	2,244,106	-6.77%	1.66%
Recreation Administration/Parks	1,061,546	1,152,115	857,658	-25.56%	0.63%
Cabarrus Arena & Events Center	2,612,788	2,828,871	2,722,005	-3.78%	2.01%
TOTAL	5,894,617	6,388,041	5,823,769	-8.83%	4.30%
<u>Public Safety</u>					
County Sheriff	6,224,368	6,443,018	6,778,857	5.21%	5.00%
Jail	2,706,468	2,891,268	3,153,444	9.07%	2.33%
Animal Control	545,094	594,049	561,595	-5.46%	0.41%
Courts	200,676	297,353	238,977	-19.63%	0.18%
Construction Standards	1,020,721	1,075,763	1,111,691	3.34%	0.82%
Emergency Management	453,753	1,070,303	388,386	-63.71%	0.29%
Emergency Medical Services	3,460,287	3,776,068	3,747,322	-0.76%	2.76%
Non Emergency Transportation	0	78,343	227,234	190.05%	0.17%
TOTAL	14,611,368	16,226,165	16,207,506	-0.11%	11.95%
<u>Economic & Physical Development</u>					
Cabarrus County Convention & Visitors Bureau*	1,390,240	885,173	949,271	7.24%	0.70%
Commerce	419,557	432,000	450,828	4.36%	0.33%
Community Development	214,200	288,976	276,782	-4.22%	0.20%
Environmental Protection	169,031	179,138	182,233	1.73%	0.13%
Zoning Administration	154,462	164,637	168,030	2.06%	0.12%
Economic Development Incentive	5,882,205	5,474,991	4,712,372	-13.93%	3.48%
TOTAL	8,229,695	7,424,915	6,739,516	-9.23%	4.97%

	Actual FY 03	Amended FY 04	Adopted FY 05	Percent Change	Percent of Total
Human Services					
Veterans Service	118,559	126,668	127,039	0.29%	0.09%
Transportation	1,631,001	1,595,353	1,487,770	-6.74%	1.10%
Cooperative Extension Service	463,383	583,331	487,362	-16.45%	0.36%
Mental Health	874,019	874,269	713,671	-18.37%	0.53%
Social Services	24,066,270	29,088,974	27,031,642	-7.07%	19.94%
Aging	1,117,765	1,362,894	1,407,974	3.31%	1.04%
TOTAL	28,270,998	33,631,489	31,255,458	-7.06%	23.05%
Environmental Protection					
SWCD-Watershed	171,441	224,282	217,235	-3.14%	0.16%
Solid Waste Management/Recycling Division	1,181,333	767,322	998,056	30%	0.74%
TOTAL	1,352,775	991,604	1,215,291	22.56%	0.90%
Education/School Debt					
Schools, Current Expense	28,872,727	29,721,718	31,517,835	6.04%	23.24%
Schools, Capital Outlay	880,981	1,476,000	1,635,604	10.81%	1.21%
School Debt/Principal and Interest	15,676,823	16,839,283	18,765,280	11.44%	13.84%
RCCC/Current Expense	646,422	913,940	988,669	8.18%	0.73%
RCCC/Capital Outlay	14,894	138,688	0	-100.00%	0.00%
RCCC/Principal and Interest	181,170	177,167	488,926	175.97%	0.36%
TOTAL	46,273,017	49,266,796	53,396,314	8.38%	39.38%
Other Programs					
Non-Departmental	229,003	432,219	930,849	115.36%	0.69%
Capital Improvement Projects	1,681,870	400,523	95,000	-76.28%	0.07%
Contributions to Other Funds	5,281,745	5,307,091	4,687,662	-11.67%	3.46%
Contributions to Other Agencies	789,791	2,423,842	1,434,283	-40.83%	1.06%
SUB TOTAL	7,982,410	8,563,676	7,147,794	-16.53%	5.27%
Less: Inter Fund Transfer**	(1,571,756)	(898,913)	(737,385)	-17.97%	
TOTAL	6,410,654	7,664,763	6,410,409	-16.37%	4.73%
Other Debt Service					
Principal and Interest	2,862,044	2,951,734	2,789,796	-5.49%	2.06%
TOTAL	2,862,044	2,951,734	2,789,796	-5.49%	2.06%
GRAND TOTAL	125,120,417	136,458,651	135,589,791	-0.64%	100.00%

* Separate Authority enabled by N. C. General Assembly HB 813:Chapter 658 of the 1989 Sessions Laws

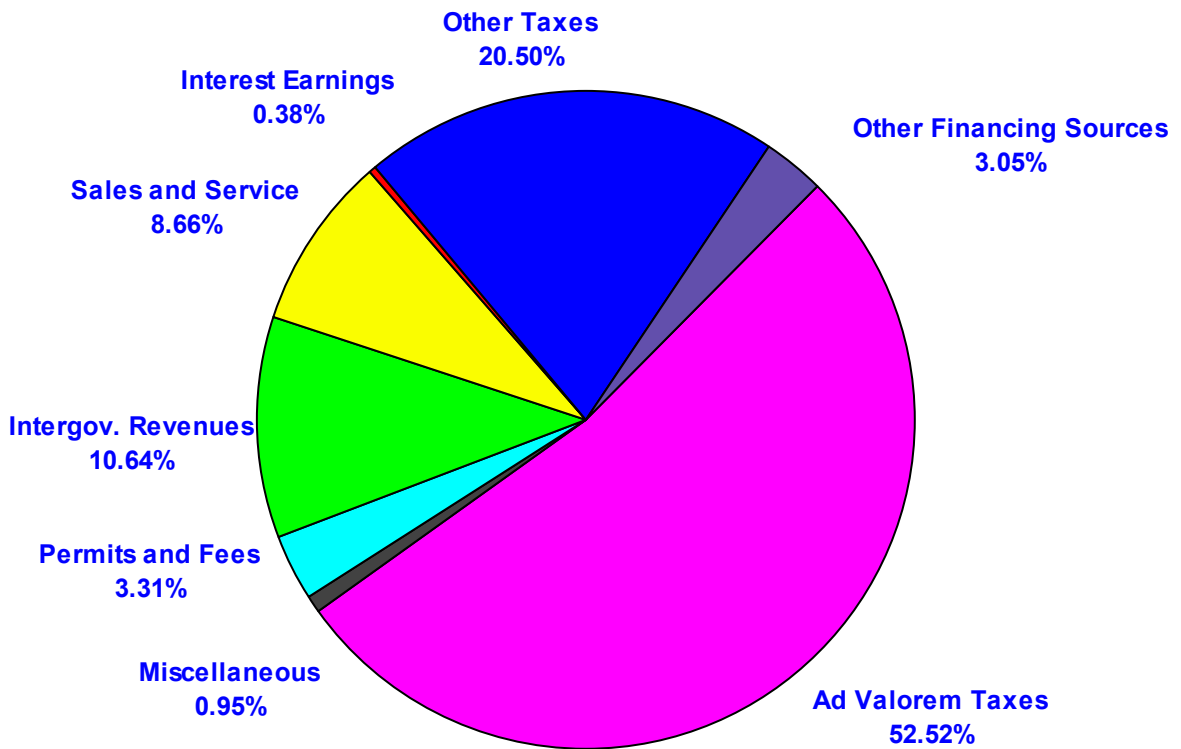
** Contribution to Cabarrus Arena & Events Center Special Revenue Fund from the General Fund



FY 2005 Revenues

By Category

\$135,589,791



BUDGET SUMMARY

■ REVENUE SUMMARY BY CATEGORY, ALL FUNDS

The County receives revenues from many different sources. These various sources have been grouped into eight categories. Below are descriptions and highlights of these categories, followed by a comparison of revenues from FY 2003 to FY 2005 on page 28. The percent change from FY 2004 to FY 2005 is presented in the PERCENT CHANGE column, and the PERCENT OF TOTAL column indicates the percentage of total revenues represented by each FY 2005 revenue category.

Ad Valorem (Property) Taxes

Ad valorem, or property tax, revenue is based on a tax rate of \$0.53 per \$100 of assessed valuation, a three cents (\$0.03) decrease over fiscal year 2004. The county completed the revaluation effective January 1, 2004, which increased the tax valuation countywide to \$13,798,092,294. The revaluation and current tax rate of \$0.53, along with tax base growth, will produce an increase of current property tax revenues approximately 17.2% over the current year's budget, for total of \$65,452,906. The decrease of three cents (\$0.56 to \$0.53) in the tax rate constitutes a decrease in the current vehicle revenue of 4.6% over the fiscal year 2004 budget, for a total of \$5,753,667. The decrease in the revenue from the reduced tax rate was more than the increased valuation of vehicles. The tax rate is based upon an estimated valuation of real and personal property and public service for purposes of taxation of \$12,683,172,428 and vehicle estimated valuation of \$1,114,919,866, for a total valuation of \$13,798,092,294. Revenue estimates are based on a 97.37% collection rate. Total revenues in this category are \$71,206,573, an increase of 15.07% from the amended fiscal year 2004 budget, accounting for 52.52% of total revenues.

The General Assembly enacted Senate Bill 511 (G.S. 159-11) requiring local governments to publish the revenue neutral tax rate in the year a general revaluation of real property occurs. A revenue neutral tax rate is the rate estimated to produce revenue for the next fiscal year equal to the revenue that would have been produced for the next fiscal year by the current tax rate if no reappraisal had occurred. The county completed a revaluation (Schedule of Values) with an effective date of January 1, 2004. The newly adopted values are reflected in the fiscal year 2005 budget. The county's revenue neutral rate applicable to the FY 2005 Revaluation is \$0.4973. By maintaining the current tax rate of \$0.56 per \$100 of assessed valuation, it is equivalent to the increase of \$0.0627 based on a statutory calculation for a determined revenue neutral tax rate. The county's computation of a revenue neutral tax rate is based on the average growth rate for Tax Year 2000 to 2003, or 4.84%. This growth factor represents the expected percentage increase in the value of the tax base due to improvements during the fiscal year. Revaluation 2004 Revenue Neutral Tax Rate computation:

Revenue Neutral Calculation

Revaluation 1/1/99 & 1/1/04		Total		
	Fiscal Yr.	Assessed	Valuation	Percentage
Tax Year	June 30	Valuation	Increase	Change
1998	1999	7,789,924,278		
1999 Revaluation	2000	9,680,147,971	1,890,223,693	24.26%
2000	2001	10,346,947,641	666,799,670	6.89%
2001	2002	11,054,876,455	707,928,814	6.84%
2002	2003	11,488,422,245	433,545,790	3.92%
2003	2004	11,686,922,135	198,499,890	1.73%
2004 Revaluation	2005	13,798,092,293	2,111,170,158	18.06%
Average growth rate for Tax Year				
2000 to 2003 and FY 2001 to 2004				4.84%
			Tax Rate	Estimated
			per \$100	Tax Levy
Last Fiscal Year Prior to Current Revaluation 2003/04		\$ 11,686,922,135	0.56	\$ 65,446,764
Average growth rate		4.84%		
Growth in Dollars		565,647,031		
Tax Valuation for Fiscal Year 2004-05				
based on average growth rate		\$ 12,252,569,166	0.56	\$ 68,614,387
First Year of Revaluation				
2004-05		\$ 13,798,092,293	0.4973	\$ 68,614,387

Other Taxes

This category consists primarily of sales taxes. These 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), 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. Article 44 should generate approximately \$4.1 million of revenue in the fiscal year 2005 budget. Effective July 1, 2003, distribution of local sales and use tax are received on a monthly basis, within 45 days from the end of the month, instead of the prior quarterly basis. The distribution of sales tax revenues among local governments in Cabarrus County is based on ad valorem tax basis. Budgeted sales tax revenues totaling \$24,242,420 are estimated to increase approximately 3.1803% or \$747,216 over amended FY 2004. The local sales tax revenues have been relatively flat because of the current national economic climate; therefore, a three percent (3%) or \$275,400, over the amended FY 2004, is recommended in Articles 40 and 42 revenues. Overall, this category equals \$27,793,991, an increase of 2.74% over fiscal year 2004, accounting for 20.50% of total revenues.

Intergovernmental Revenues

This category represents 10.64% of total revenues and consists primarily of state and federal grants for human services activities. The fiscal year 2005 budget reflects a 3.77% decrease over the current year's budget, for a total of \$14,425,706.

Intergovernmental revenues consist of state and federal grants that the county receives for programs under the function of human services, consisting of Community Based Alternatives, Home Care Community Block Grant. Other grants such as Public Library Grant and the Natural Heritage Inventory Grants and other revenues collected from other governmental units that are not grant related. The largest single revenue source in this category is state and federal assistance for the Department of Social Services.

Permits and Fees

Accounting for 3.31%, or \$4,485,858, of total revenues, this category consists primarily of receipts for recording of legal instruments in the Register of Deeds Office and construction standards (building inspection fees), planning, and zoning fees. Register of Deeds revenue reflects a 9.8% increase over the amended fiscal year 2004 budget. This increase can be attributed to the increase of recorded land documents. Construction standards fees increased approximately 31.6% over the amended FY 2004 budget, or \$600,000 due to an increase in permit fees authorized by the Board.

Sales and Service

This category includes revenues from user fees from a wide range of services -- from landfill tipping fees to insurance reimbursements for in home aide services. This category represents 8.86%, or \$11,740,959, of total revenues, a decrease of 7.39% over previous year's budget. Sales and Services fees are collected by various departments for goods and/or services rendered by them to the public, other departments of the government, or other governments.

Investment Earnings

Budgeted interest earnings on investments increased by 0.95% in fiscal year 2005 due to a slight increase of interest rates being paid on investment. Also, a lower than usual fund balance attributes to a conservative General Fund revenue projection on investment earnings of \$500,00, the same as fiscal year 2004. This category accounts for .38%, or \$510,800 of total revenues.

Miscellaneous

Miscellaneous revenues are those which do not fit neatly into any of the other areas. This category represents .95% of total revenues, or \$1,288,864. Miscellaneous revenues reflect an 84.77% increase over the amended FY 2004. Philip Morris Grant 4 H SOS (Support Our Students) revenue was not appropriated in the fiscal year 2005 budget. Pending grant approval usually in the fall of 2004, a budget amendment will be generated. Community Access Program Grant for transportation was reduced approximately 50% over amended FY 2004 budget. The Cannon Trust Foundation contribution of \$402,500 as emergency aid for Pillowtex employees constitutes the major reduction in FY 2005 miscellaneous revenues. The fiscal year 2005 miscellaneous revenues reflect one-time revenue of \$1.2 million pending the sale of the First Union Building.

Other Financing Sources

This category accounts for \$4,137,040 or 3.05% of total revenues, and typically includes both interfund transfers and fund balance appropriations. The General Fund contribution of \$737,385 to the Cabarrus Arena and Events Center Special Revenue Fund is reflected in this category.

A fund balance appropriation of \$2,687,040 was appropriated in the FY 2005 budget. Departmental FY 2005 budget requests were reduced and a contribution of \$1,250,000 from the Capital Reserve Fund eliminated a property tax increase. The Convention and Visitors Bureau (CVB) appropriated \$100,000 to the Cabarrus Arena and Events Center Special Revenue Fund for improvements. The Landfill Fund did not require an appropriation of fund balance. Landfill tipping fees reflects a 34.65% increase over amended FY 2004.

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 defines 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 also be reserved for specific purposes, such as in special revenue funds where fund balance is for a designated purpose. In the Fund Balance Reserve Policy, included in the Financial and Budgetary Policies, the county felt comfortable with fund balance at 15% of expenditures. At June 30, 2003, undesignated fund balance was 18% of general fund expenditures. Estimated fund balance at June 30, 2004 is expected to be 18% of general fund expenditures. Fiscal year 2005, departmental budget requests were reduced and a fund balance appropriated of \$2,687,040 was implemented offsetting the three cents (\$.03) property tax decrease.

Projected Change in Fund Balance:

Fund	Estimated Fund Balance 06/30/04	Projected Revenues	Transfers In	Transfers Out	Projected Expenditures	Projected Fund Balance 06/30/05	Projected Change in Fund Balance
General	21,156,180	127,720,804	1,250,000	4,328,771	127,329,073	18,469,140	(2,687,040)

The Solid Waste Fund

There are two departments within the Solid Waste Fund: Landfill and Waste Reduction. Operating revenues for both areas are expected to increase 30% in 2005. An additional 4% increase for subsequent budget years is expected in 2006-2009.

Operating expenses increased by \$117,034 for 2005. Landfill engineering costs increased by \$58,000 due to the construction and management of the new C&D landfill beginning in FY 2005. Engineering costs have been projected through FY 2009 and adjusted for the different phases of the project. The other main increase is for recycling purchased services for the grinding of excess yard waste. A dozer will be purchased for \$145,000 in 2005 as part of the capital improvement program.

It is projected that a surplus will be achieved in 2006 and increase each subsequent year.

Projected Change in Fund Balance:

Fund	Estimated Fund Balance 06/30/04	Projected Revenues	Transfers In	Transfers Out	Projected Expenditures	Projected Fund Balance 06/30/05	Projected Change in Fund Balance
Landfill	2,051,702	998,056	0	0	998,056	2,051,702	0

The Cabarrus Arena and Events Center

The County Commission established this facility as a priority in FY 2002. It will provide facilities to host a broad range of events and entertainment options. Long-term uses include the annual County Fair, equestrian events, concerts, high school graduation and other similar events drawing public interest. The Cabarrus Arena and Events Special Revenue Fund is comprised of the Arena budget, a food services budget, building maintenance budget, facility cleaning services and the Fiscal Year 2005 budget establishes a grounds maintenance budget. The individual budgets maintain a cost center applicable to the service provided. The Cabarrus County Fair FY 2005 budget totaling \$ 435,217 is reflected in the Special Revenue Fund. The Fair operating revenue fiscal year 2005 increased by 1.2% over the amended FY 2004 budget.

The fiscal year 2005 budget used a fund balance appropriated of \$100,000. General Fund Fiscal Year 2005 contribution of \$737,385 reflects a 17.87% decrease over the amended FY 2004 budget. Debt service of \$1,343,520 is reflected in the county operating budget.

Projected Change in Fund Balance:

Fund	Estimated Fund Balance 06/30/04	Projected Revenues	Transfers In	Transfers Out	Projected Expenditures	Projected Fund Balance 06/30/05	Projected Change in Fund Balance
Arena	362,570	1,884,620	737,385	0	2,722,005	262,570	(100,000)

**SUMMARY OF REVENUES
ALL FUNDS**

Revenues	Actual FY 03	Amended FY 04	Board Adopted FY 05	Percent Change	Percent of Total
Ad Valorem Taxes	63,501,156	61,879,410	71,206,573	15.07%	52.52%
Other Taxes	22,019,011	27,052,877	27,793,991	2.74%	20.50%
Intergovernmental Revenue	13,996,958	14,990,863	14,425,706	-3.77%	10.64%
Permits and Fees	4,344,966	3,754,362	4,485,858	19.48%	3.31%
Sales and Service	9,925,611	12,677,871	11,740,959	-7.39%	8.66%
Interest Earnings	1,073,703	506,000	510,800	0.95%	0.38%
Miscellaneous	514,270	697,557	1,288,864	84.77%	0.95%
Other Financing Sources	10,139,615 ¹	14,899,711 ²	4,137,040 ³	-72.23%	3.05%
Grand Total	125,515,290	136,458,651	135,589,791	-0.64%	100%

¹ Reflects a reduction of \$1,571,756 contribution to the Cabarrus Arena and Events Center Special Revenue Fund from the General Fund

² Reflects a reduction of \$898,913 contribution to the Cabarrus Arena and Events Center Special Revenue Fund from the General Fund

³ Reflects a reduction of \$737,385 contribution to the Cabarrus Arena and Events Center Special Revenue Fund from the General Fund

BUDGET SUMMARY

■ FIVE YEAR FINANCIAL PLAN

The Five Year Financial Plan is a forecast of revenues and expenditures for a five year period beginning with the proposed annual budget for fiscal year 2005. Forecasts are provided for the General Fund, the Arena and Event Center Fund and the Solid Waste Fund. The purpose of the Five Year Financial Plan is to ensure that the county's commitments, obligations and anticipated needs are met in a fiscally sound manner.

The forecast for each fund uses the current fiscal year (2004) budget as a starting point for both revenues and expenditures in 2005. 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 2005 is fairly conservative. Sales tax revenue growth, for example, is expected to be 3 percent. A new 1/2 cent sales tax was added in Fiscal Year 2004 which provides additional revenue of \$4 million, replacing revenue lost in 2003 when the General Assembly eliminated reimbursements to local governments for lost revenues that resulted from changes in tax laws in the late 1980s.

County Departments were asked to cut their expenditures to help avoid an additional tax rate increase above the FY 2004 rate of \$.56. FY2005 incurred a property revaluation which increased the value of the tax base by approximately 24 percent, resulting in additional revenue of approximately \$6.6 million using the new tax rate of \$.53. The County's revenue neutral rate was calculated to be \$.4973 which results in a tax rate increase of \$.0327. Even with the revaluation, budgeted total revenue for 2005 are not sufficient to offset budgeted expenditures. The Board of Commissioners decided to use \$2,687,040 of fund balance to balance the budget versus leaving the tax rate at \$.56. Unreserved fund balance is predicted to be 13.17 percent of expenditures for Fiscal Year 2005.

Increases in 2005 spending relate primarily to education, health insurance and debt service. Most of the Capital Improvements Program (CIP) spending is for education, aerial photography and desktop technology (page 300 in the CIP).

On the expenditure side, new debt service is added in 2005 and 2007. For 2005, approximately \$2.9million of debt service was added for 3 new schools with attached parks and several school additions and approximately \$.7 million for renovations of the former School Administration Building. The Board of Commissioners has approved a Bond Referendum for approximately \$98 million General Obligation Bonds to be voted on by citizens in November 2004. The Five Year Financial Plan includes a debt service payment of approximately \$9.6 million to begin in Fiscal Year 2006 for this debt. For 2007, \$5.5 million of debt service will be added for a new jail. Other annual increases are attributed to employee health insurance, salaries and education.

Capital spending is meager for 2005, however, for 2006, school capital outlay will be reinstated along with the construction of an EMS station in Midland. For 2007 and beyond, capital outlay for schools will be continued and funding for delayed park expansion will begin.

Spending levels specified in the Five Year Financial Plan are prudent and maintain adequate general fund reserves. The fund balance is estimated to dip to 13.17% in Fiscal Year 2005. However, with a tax increase in Fiscal Year 2006 to cover the new debt service and replace one time revenue sources, the fund balance percentage will remain above the board approved level of 15%.

The Arena and Events Center Fund

The operating revenue for 2005 reflects a total 3% increase from the previous year. This is due to a large increase in box office revenues and a reduction in rental fees to reflect a more accurate revenue stream than was originally anticipated. A fifteen percent increase was used for the FY 2005 budget based off current year actual revenues. Larger increases in revenue are expected in future years. Growth of approximately 10% is expected for the 2006-2009 budget years. This projected revenue growth results from enhanced advertising and marketing efforts leading to increased bookings at the facility.

In addition to the increase in operating revenue, it is expected that the contribution made to the Arena by the General Fund will decrease by 11% in 2005. The contribution will continue to decrease over the next three years. In 2009, a General Fund contribution will not be required to offset the expenditures of the Arena. The Arena should be self-supporting by this time, exclusive of the debt service payment paid from the general fund.

In 2005, personnel costs are considerably higher than in 2004. An additional full-time event coordinator and grounds maintenance employee will join the full-time staff. Three part-time positions were increased in the arena budget to provide for added help during events.

The arena and events center budget increased operating expenditures by \$191,776 from 2004. This is due largely to the increase in box office expenses from ticketed events. However, capital purchases decreased by \$103,000 for building improvements and equipment.

The food services budget decreased by \$169,854 from 2004. This area has not been as profitable as expected. It is projected that food services will increase in subsequent budget years. A revised contract with Eurest will be in place July 1, which reduces the original management fee, providing a more profitable outcome for the County.

The Cabarrus County Convention and Visitors Bureau contribution of \$100,000 will offset operating expenditures.

The Solid Waste Fund

There are two departments within the Solid Waste Fund; Landfill and Waste Reduction. Operating revenues for both areas are expected to increase 30% in 2005. An additional 4% increase for subsequent budget years is expected in 2006-2009.

Operating expenses increased by \$117,034 for 2005. Landfill engineering costs increased by \$58,000 due to the construction and management of the new C&D landfill beginning in FY 2005. Engineering costs have been projected through FY 2009 and adjusted for the different phases of the project. The other main increase is for recycling purchased services for the grinding of excess yard waste. A dozer will be purchased for \$145,000 in 2005 as part of the capital improvement program.

It is projected that a surplus will be achieved in 2006 and increase each subsequent year.

Cabarrus County

Five Year Financial Plan, General Fund

Updated 7/01/2004

Restore Board Policy to 15% Level

Budgeted Revenues for:	2005	2006	2007	2008	2009
Estimated operating revenues from previous fiscal year	\$ 119,513,618	\$ 126,520,804	\$ 150,377,376	\$ 149,972,354	\$ 154,642,071
Growth due to Revaluation	6,616,473	-	-	-	-
Annual Growth in Property Tax Revenues	615,095	3,000,000	3,200,000	3,400,000	3,600,000
Increase tax rate \$.145 in 2006		19,481,040			
Decrease tax rate \$.035 in 2007			(4,702,320)		
Decrease tax rate \$.025 in 2009					(3,358,800)
Growth in Miscellaneous Revenues	352,073	250,000	250,000	400,000	250,000
Growth in Building Inspections Revenues	505,300	100,000	100,000	100,000	100,000
Increase in Ambulance Revenues	324,632	300,000	-	-	-
Decrease in One Time Grant Funds	(1,020,413)	-	-	-	-
Decrease in Debt Service Funding and Refunding Receipts	(1,136,394)	-	-	-	-
Growth in Sales Tax Revenues - 3% Annually	630,420	601,932	619,990	638,590	657,747
New 1/2 cent sales tax in 2004 and 3% Annual Growth	120,000	123,600	127,308	131,127	135,061
Total Operating Revenues	126,520,804	150,377,376	149,972,354	154,642,071	156,026,079
One Time Revenues					
Fund Balance Appropriation	2,687,040				
Capital Reserve contribution	1,250,000				
Sale of Property	1,200,000	-	-	-	-
Total Revenues	131,657,844	150,377,376	149,972,354	154,642,071	156,026,079

Budgeted Expenditures for:

Estimated operating expenditures from previous fiscal year	129,762,565	129,927,240	142,032,142	145,565,691	150,882,930
Increase in school current expense spending based on student growth (1,121 in year 2005)	1,330,380	1,445,496	1,582,397	1,722,013	1,864,386
Increase in RCCC current expense spending	74,729	-	-	-	-
Transfer Capital Expenditures to CIP Area	(1,769,938)	-	-	-	-
CPI increase of 1.5% on school current expense	465,737	331,396	352,037	373,814	397,316
Additional Cabarrus Health Alliance contribution due to population growth	47,420	50,000	55,000	60,000	65,000
Change in Piedmont Behavioral Healthcare contribution due to reform in programs	(113,950)	-	-	-	-
Add Bank Fees			45,000		
Misc. increases (decreases) in service costs	356,984	165,000	180,000	200,000	220,000
Restore spending on maintenance and replacement items	-	-	800,000	-	-
Debt Service for school construction	2,872,203	9,685,539	-	-	-
Debt Service for New RCCC Business Center	341,875	341,875	-	-	-
Jail Expansion Debt Service	-	-	5,753,364	-	-
Staffing increase due to Jail Expansion	384,824	-	-	1,700,000	-
Retirement of Debt Service	(1,140,978)	(1,122,891)	(2,370,179)	(542,150)	(1,067,540)
Reduction in Contribution to Arena	(161,528)	(83,053)	(201,779)	(222,386)	(230,167)
Reduction in Major and Minor Capital Spending	(1,149,734)	-	-	-	-
Restore Capital Outlay Spending (items valued more than \$5,000 but less than \$100,000)	-	-	500,000	1,000,000	-
COLA of 1.5% (Salary and Benefits)	459,480	451,123	457,890	464,758	471,730
Increase in Health Insurance cost (10.15% in 2005) (10% in 2005-2008)	528,557	398,140	437,954	481,749	529,924
Fulfilled/Added Incentive Grants	(762,619)	242,277	(4,258,134)	(120,559)	(56,325)
Fulfilled YMCA contribution	(1,000,000)	-	-	-	-
Change in Public Assistances	(598,767)	200,000	200,000	200,000	200,000
Total Operating Expenditures	129,927,240	142,032,142	145,565,691	150,882,930	153,277,254

Funding for Capital Projects

Capital Improvement Plan	1,730,604	2,450,500	3,138,200	2,627,000	2,625,000
Contribution to Capital Reserve Fund	-	1,250,000	-	-	-
Total Expenditures	\$ 131,657,844	\$ 145,732,642	\$ 148,703,891	\$ 153,509,930	\$ 155,902,254
Revenues over (under) Expenditures	(2,687,040)	4,644,734	1,268,463	1,132,141	123,825

Estimated Unreserved Fund Balance	\$ 17,328,053	\$ 21,972,787	\$ 23,241,250	\$ 24,373,390	\$ 24,497,216
as a % of Current Budget	13.16%	15.08%	15.63%	15.88%	15.71%
Property Tax Rate	.53/100	.675/100	.64/100	.64/100	.615/100
Total Debt Service Payments	\$ 22,044,002	\$ 30,835,119	\$ 34,218,354	\$ 33,676,104	\$ 33,249,414
Total Debt Service Payments as a % of Budget	16.74%	21.16%	23.01%	21.94%	21.33%

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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<u>Budgeted Revenues for:</u>					
Estimated operating revenues from previous fiscal year (less contribution)	\$ 1,838,206	\$ 1,884,620	\$ 2,073,082	\$ 2,280,390	\$ 2,508,429
Increase-FY 2005	46,414				
10% Increase-FY 2006-2009		188,462	207,308	228,039	250,843
Total Operating Revenues	<u>1,884,620</u>	<u>2,073,082</u>	<u>2,280,390</u>	<u>2,508,429</u>	<u>2,759,272</u>
Fund Balance Appropriated	100,000				
General Fund Contribution	737,385	654,332	452,553	230,167	
Total Revenues	<u><u>2,722,005</u></u>	<u><u>2,727,414</u></u>	<u><u>2,732,943</u></u>	<u><u>2,738,596</u></u>	<u><u>2,759,272</u></u>
<u>Budgeted Expenditures for:</u>					
Estimated operating expenditures from previous fiscal year	2,570,871	2,722,005	2,727,414	2,732,943	2,738,596
COLA of 1.5% (salary & benefits)	4,888	4,962	5,036	5,112	5,188
Increase in health insurance cost - 10.15% - 2005	4,477				
10.00% increase for 2006-2009		448	492	542	596
Increase due to new positions (salary & benefits)	138,202				
Increase(decrease) in operational expenditures:					
Arena & Events Center	191,776				
County Fair	(34,946)				
Food Services	(169,854)				
Grounds Maintenance	20,392				
Building Maintenance	2,500				
Facility Cleaning Services	(6,302)				
Total Operating Expenditures	<u>2,722,005</u>	<u>2,727,414</u>	<u>2,732,943</u>	<u>2,738,596</u>	<u>2,744,381</u>
<u>Funding for Capital Purchases</u>					
Capital Outlay	-	-	-	-	-
Total Expenditures	<u><u>\$ 2,722,005</u></u>	<u><u>\$ 2,727,414</u></u>	<u><u>\$ 2,732,943</u></u>	<u><u>\$ 2,738,596</u></u>	<u><u>\$ 2,744,381</u></u>
Estimated Unreserved Fund Balance	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 14,891</u></u>

Cabarrus County
Five Year Financial Plan, Solid Waste

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<u>Budgeted Revenues for:</u>					
Estimated operating revenues from previous fiscal year	\$ 767,322	\$ 998,056	\$ 1,037,978	\$ 1,079,497	\$ 1,122,677
Increase in revenues - 30% - FY 2005	230,734				
Increase in revenues - 4.0% - FY 2006-2009		39,922	41,519	43,180	44,907
Total operating revenues	998,056	1,037,978	1,079,497	1,122,677	1,167,584
Retained earnings appropriated	-	-	-	-	-
Total Revenues	998,056	1,037,978	1,079,497	1,122,677	1,167,584
<u>Budgeted Expenses for:</u>					
Estimated operating expenses from previous fiscal year	736,022	853,056	863,616	874,708	886,377
COLA of 1.5% (salary & benefits)	6,078	6,169	6,262	6,356	6,451
Increase in health insurance cost - 10.15%	3,992				
10.00% increase for 2006-2009		4,391	4,830	5,313	5,845
Increase in Landfill Engineering Costs	58,000	(60,000)	206,100	(248,900)	21,100
Increase in Recycling Purchased Services	30,000				
Increase in Miscellaneous operation costs	18,964				
Total Operating Expenses	853,056	863,616	874,708	886,377	898,673
<u>Funding for Capital Purchases</u>					
Capital Outlay	145,000				
Total Expenses	\$ 998,056	\$ 863,616	\$ 874,708	\$ 886,377	\$ 898,673
Surplus	-	174,362	204,789	236,300	268,911
Estimated Net Assets	\$ 2,097,686	\$ 2,272,048	\$ 2,476,837	\$ 2,713,137	\$ 2,982,048

PROGRAM SUMMARY FY 2005

DEPARTMENT: Education

PROGRAM: Current Expense

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

PROGRAM SUMMARY: Current expense funding is to assist the Cabarrus County and Kannapolis City school systems and the Rowan - Cabarrus Community College (South Campus) in paying salaries, benefits, utilities and other operating expenses. State average daily membership (ADM) projections for FY 2005 in the two public school systems increased by 1,121 students, to 26,165.

SCHOOL	FY 2003 Actual	FY2004 Budget	FY 2005 Requested	FY 2005 Recommended
ADM Funding:				
Cabarrus County Schools	20,110,758	20,909,643	22,657,588	22,142,714
Kannapolis City Schools	3,271,618	3,160,396	3,854,226	3,382,028
Building Maintenance Funding:				
Cabarrus County Schools	3,933,808	4,090,076	5,039,929	4,331,258
Kannapolis City Schools	640,066	618,196	665,856	661,547
Grounds Maintenance Funding:				
Cabarrus County Schools	788,226	819,538	1,003,261	867,750
Kannapolis City Schools	128,251	123,869	131,784	132,538
Total Public School Funding	28,872,727	29,721,718	33,352,644	31,517,835
Rowan Cabarrus Community College	646,422	913,940	988,669	988,669
GRAND TOTAL	29,519,149	30,635,658	34,341,313	32,506,504

HIGHLIGHTS:

- The current expense fiscal year 2005 appropriation for the two public school systems will increase per student spending from \$1,186.78 to \$1,204.58 (inclusive of building and grounds maintenance) representing a 1.5% increase over the amended fiscal year 2004 budget.
- Current expense for the Cabarrus County Schools totaling \$22,142,714 represents a 5.9% increase over FY 2004 and the Kannapolis City Schools of \$3,382,028 represents a 7% increase over FY 2004. In accordance with the "School Budget and Fiscal Control Act", the state certifies a per capita percentage of average daily membership (ADM) based on the higher of the best one of the first two months prior year ADM or the best one of the first two months projected ADM. Cabarrus County Schools and the Kannapolis City Schools percentage as determined by this act are 86.75% and 13.25%, respectively. The ADM (average daily membership) controls total allocation of funding for the schools.
- 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 percentages for building maintenance, grounds maintenance, and fiber optic cabling. This formal agreement provides unification of a comprehensive building maintenance and grounds maintenance program encompassing all facilities for both school systems and administration by the Cabarrus County School System. The appropriation for the consolidated building maintenance program is \$4,992,805. The final \$32,500 appropriation for fiber optic cabling between the school campus locations was made in August 2003; however, the building maintenance per capita was not reduced to reflect this change. The appropriation for the consolidated grounds maintenance program of \$1,000,288. Cabarrus County Schools building maintenance appropriation of the \$4,331,258 increased by 5.9% from FY 2004 budget. Kannapolis City Schools building maintenance appropriation of \$661,547 increased by 7% from the amended FY 2004 budget. Appropriations for the building maintenance and grounds maintenance reflect a 1.5% increase from the amended FY 2004 student per capita of \$190.82 and \$ 38.23, respectively.

- The Cabarrus County School System increased ADM by 942 students, for a total enrollment of 22,697. Kannapolis City Schools increased by 179 students for a total enrollment of 3,468 students. FY 2005 total enrollment of 26,165 students.
- Funding for Rowan Cabarrus Community College includes operational costs for local facilities of \$558,482, plant maintenance of \$157,145, cosmetology leases (two Cloverleaf Plaza) of \$214,000, telephone, professional and liability insurance of \$16,760, equipment and minor renovations of \$42,282, totaling \$988,669.
- Per capita Educational Debt Service (Principal and Interest) for the two school systems:

SCHOOL DEBT SERVICE	Principal	Interest	TOTAL
GO Buildings – Schools	3,728,140	1,833,650	5,561,791
Lease Principal – Schools – Bank Fees	2,338,337	158,583	2,496,920
IPRB Principal	1,500,000	1,142,250	2,642,250
COPS Principal	4,369,525	3,694,795	8,064,320
Total:	11,936,002	6,829,278	18,765,280

- Educational Debt Service (Principal, Interest, and Bank Service Charges) for FY 2005 totals \$18,765,280. Based on a total enrollment of 26,165, per pupil ADM of \$717.20.
- Fiscal Year 2005 current, capital and debt service per student appropriation based on an ADM enrollment of 26,165 students:

FY 2005 Educational Appropriation	Per Student
Current Expense ADM	975.53
Building Maintenance	190.82
Grounds Maintenance	38.23
Total Current Expense Funding	1,204.58
Capital Outlay	56.78
Start Up Cost – CCS	5.74
Educational Debt Service	717.20
Grand Total Per Pupil Spending	1,984.30

PROGRAM SUMMARY FY 2005

DEPARTMENT: Education

PROGRAM: Capital Outlay

MANDATED SERVICE: Required by General Statutes 115C-426(f). Level of funding not specified.

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

SCHOOL	FY 2003 Actual	FY 2004 Budget	FY 2005 Board Adopted
Cabarrus County Schools	880,981	1,050,000	1,438,761
Kannapolis City Schools	0	426,000	196,843
Rowan Cabarrus Community College	14,894	138,688	0
TOTAL	895,875	1,614,688	1,635,604

HIGHLIGHTS:

- Cabarrus County Schools will receive \$1,288,761 based on ADM (Average Daily Membership) of 86.75% of the appropriated \$1,485,604 funding. Additional capital outlay funding applicable to the Cabarrus County School System is \$150,000 start-up costs for Bethel Elementary School.
- Kannapolis City Schools will receive \$196,843 based on ADM (Average Daily Membership) of 13.25% of the appropriated total of \$1,485,604.
- Rowan Cabarrus Community College did not submit fiscal year 2005 requests.
- The Board authorized Installment Financing on February 16, 2004 totaling approximately \$4.5 million to provide Rowan Cabarrus Community College requests for an additional parking lot at the south campus, renovations, technology and furniture for the new business center at the old School Administration Building and design fees of Building 3000 on the south campus. The initial installment financing totaling \$341,875, (one-half year) principal of \$250,000 and \$91,875 interest is appropriated in the fiscal year 2005 budget.

PROGRAM SUMMARY

FY 2005

DEPARTMENT: Debt Service

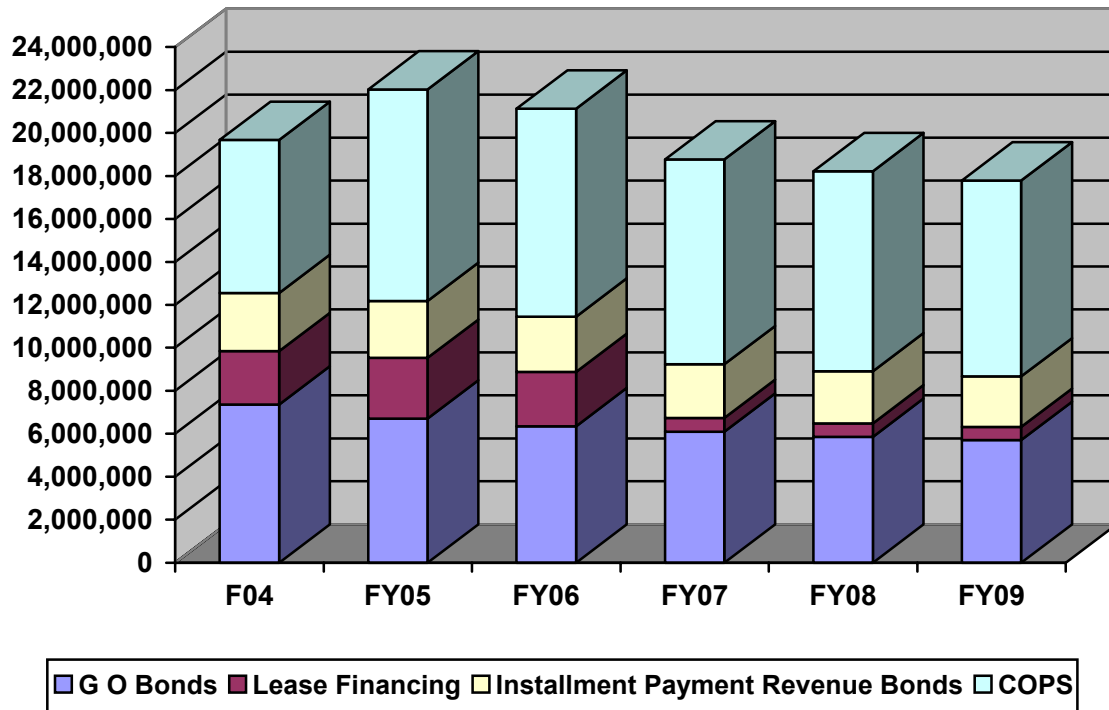
PROGRAM: Debt Service

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, 2004:

School Bonds	\$47,010,521.00
Rowan Cabarrus Community College Bonds	702,371.00
Coddle Creek Reservoir Bonds	4,782,108.00
Schools – Lease Financing	4,123,595.00
Schools Installment Payment Revenue Bonds	22,500,000.00
COPS – Schools	80,648,775.00
COPS – Expo	<u>18,116,225.00</u>
TOTAL	\$177,883,595.00



GENERAL OBLIGATION BONDS - PRINCIPAL AND INTEREST								
BOND DEBT	ISSUE DATE	RATE	FY 2004 Actual	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Refunding - Schools 2004	3-15-04	3.0-5.0		440,000.00 1,255,354.00	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
Refunding - Schools	9-1-94	3.70-4.80	247,503.14					
School Series 1997	2-1-97	5.326	1,700,000.00 2,065,400.00	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	1,837,250.14 201,097.73	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
Total Schools			3,537,250.14 2,514,000.87 6,051,251.01	3,728,140.00 1,833,650.00 5,561,790.00	3,418,886.00 1,841,620.02 5,260,506.02	3,361,606.00 1,707,722.88 5,069,328.88	3,313,668.00 1,567,774.70 4,881,442.70	3,324,502.00 1,468,364.66 4,792,866.66
Refunding - RCCC	9-1-94	3.70-4.80	19,182.78					
Refunding - RCCC	8-1-03	2.0-4.0	142,396.47 15,586.12	123,165.00 23,886.00	120,508.50 18,959.38	115,678.50 15,946.66	111,573.00 12,476.32	106,984.50 9,129.12
Total RCCC			142,396.47 34,768.90 177,165.37	123,165.00 23,886.00 147,051.00	120,508.50 18,959.38 139,467.88	115,678.50 15,946.66 131,625.16	111,573.00 12,476.32 124,049.32	106,984.50 9,129.12 116,113.62
Water Series 1992 - Coddle Creek	4-1-92	6.20-6.25						
Refunding - Water	9-1-94	3.70-4.80	56,256.58					
Refunding - Water	8-1-03	2.0-4.0	970,353.39 106,210.83	838,695.00 162,653.00	820,605.50 129,104.36	787,715.50 108,589.22	759,759.00 84,957.76	728,513.50 62,164.98
Total Water Series			970,353.39 162,467.41 1,132,820.80	838,695.00 162,653.00 1,001,348.00	820,605.50 129,104.36 949,709.86	787,715.50 108,589.22 896,304.72	759,759.00 84,957.76 844,716.76	728,513.50 62,164.98 790,678.48
Total Bonds			7,361,237.18	6,710,189.00	6,349,683.76	6,097,258.76	5,850,208.78	5,699,658.76

CAPITAL LEASES , INSTALLMENT PAYMENT REVENUE BONDS, AND COPS FINANCING - PRINCIPAL AND INTEREST								
CAPITAL LEASES	ISSUE DATE	RATE	FY 2004 Actual	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Weddington Elementary	7-26-95	4.71	1,128,272.59 124,509.13	1,182,040.00 70,742.00	611,978.77 41,412.09			
Rocky River Elementary	1-24-96	4.29	1,092,692.50 135,220.60	1,140,072.00 87,841.00	1,189,505.48 38,407.62			
Total Schools			2,220,965.09 259,729.73 2,480,694.82	2,322,112.00 158,583.00 2,480,695.00	1,801,484.25 79,819.71 1,881,303.96			
Rowan Cabarrus Comm. College	Fall 2004	2.0-5.0		250,000.00 91,875.00	500,000.00 147,500.00	500,000.00 137,500.00	500,000.00 127,500.00	500,000.00 117,500.00
Total Capital Leases			2,480,694.82	2,822,570.00	2,528,803.96	637,500.00	627,500.00	617,500.00
INSTALLMENT PAYMENT REVENUE BONDS								
New High School	6-1-99	5.19	1,500,000.00 1,211,625.00	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
Total IPRB			2,711,625.00	2,642,250.00	2,573,250.00	2,502,750.00	2,430,750.00	2,357,250.00
COPS								
3 New Schools	3-1-01	4.80	2,000,000.00 1,750,000.00	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
COPS - Schools 2002 issue	9-1-02	3.0 - 5.25	329,525.00 260,717.98	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
COPS - Schools 2003 issue	7-1-03	2.0 - 5.25	965,824.00	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
Total Schools			5,306,066.98	8,064,320.00	7,927,408.98	7,801,859.98	7,619,010.98	7,461,508.68
COPS - Expo 2002 issue	9-1-02	3.0 - 5.25	1,015,475.00 803,437.03	1,015,475.00 772,973.00	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
Total Expo			1,818,912.03	1,788,448.00	1,754,208.53	1,723,857.53	1,693,506.53	1,658,368.83
Total COPS			7,124,979.01	9,852,768.00	9,681,617.51	9,525,717.51	9,312,517.51	9,119,877.51
Bank Service Charges			74,086.99	16,225.00	16,225.00	16,225.00	16,225.00	16,225.00
Annual Debt Service			19,752,623.00	22,044,002.00	21,149,580.23	18,779,451.27	18,237,201.29	17,810,511.27

FUND SUMMARIES

■ GENERAL FUND HIGHLIGHTS

Expenditures by Service Area

General Fund	Actual FY 03	Amended FY 04	Board Adopted FY 05	Percent Change	Percent of Total
General Government	11,215,250	11,913,145	11,751,732	-1.35%	8.93%
Cultural & Recreational	3,281,828	3,559,170	3,101,764	-12.85%	2.36%
Public Safety	14,611,368	16,226,165	16,207,506	-0.11%	12.31%
Economic & Physical Development	6,839,455	6,539,742	5,790,245	-11.46%	4.40%
Human Services	28,270,998	33,631,489	31,255,458	-7.06%	23.74%
Environmental Protection	171,441	224,282	217,235	-3.14%	0.16%
Education/School Debt	46,273,017	49,266,796	53,396,314	8.38%	40.56%
Other Programs	7,982,410	8,563,676	7,147,794	-16.53%	5.43%
Other Debt Service	2,862,044	2,951,734	2,789,796	-5.49%	2.12%
Total	121,507,811	132,876,199	131,657,844	-0.92%	100.00%

General Fund expenditures for FY 2005 total \$131,657,844 a 0.92%, decrease over amended FY 2004. Additional spending for new items includes the following:

- FY2005 economic development incentives decreased 13.90%; Corning and Pillowtex constitutes the largest reductions.
- A net of 13.72 Full Time Equivalent Positions were added in various departments contained in the budget.
- A 1.5% COLA for county employees.
- A contribution of \$ 737,385 to the Cabarrus Arena and Events Center Special Revenue Fund
- Current expense educational funding for two school systems' is represented in three categories: Current Expense, Building Maintenance and Grounds Maintenance. FY 2005 appropriations are based on the total countywide student population of 26,165 students. Cabarrus County Schools ADM (Average Daily Membership) allotment based on 22,697 students equates to 86.75%. Kannapolis City Schools ADM allotment based on 3,468 students equates to 13.25%. FY 2005 budget reflects a 1.5% current expense increase over the amended FY 2004 budget.

Cabarrus County Schools			
Category	FY 2004 ADM ALLOTMENT	FY 2005 ADM ALLOTMENT	FY2005 APPROPRIATIONS 22,697 Students
Current Per Pupil	\$ 961.11	\$ 975.53	\$22,142,714
Building Maintenance	188.00	190.82	4,331,258
Grounds Maintenance	37.67	38.23	867,750
Current Expense	\$ 1,186.78	\$ 1,204.58	\$27,341,722

Kannapolis City Schools			
Category	FY 2004 ADM ALLOTMENT	FY 2005 ADM ALLOTMENT	FY2005 APPROPRIATIONS 3,468 Students
Current Per Pupil	\$ 961.11	\$ 975.53	\$ 3,382,028
Building Maintenance	188.00	190.82	661,547
Grounds Maintenance	37.67	38.23	132,538
Current Expense	\$ 1,186.78	\$ 1,204.58	\$ 4,176,113

- Capital outlay funding of \$1,485,604 is appropriated based on ADM allotment percentages. Fiscal year 2005 budget capital outlay appropriations for Cabarrus County Schools and Kannapolis City Schools are \$1,288,761 and \$196,843, respectively. Start-up cost of \$150,000 is provided for Bethel Elementary School. School Debt Service principal and interest payments totaling \$18,765,280.
- Rowan Cabarrus Community College appropriation of \$988,669 constitutes an 8.2 % increase over amended FY 2004.
- Initial implementation of a Public Information Department, transferred expense from Information Service Departments totaling \$168,247 and Marketing Activities/Event Expenses of \$38,920 constituting a total FY 2005 appropriation of \$206,667.
- Continued support of the Cabarrus Health Alliance for community health services totaling \$3,551,386. This contribution includes an allocation of \$10,762 to the West Nile Virus.
- Initial installment financing of principal and interest expense totaling \$341,875 (one-half year) for Rowan Cabarrus Community College. The Board authorized the financing on February 16, 2004 to provide the construction of a parking lot, design cost of Building 3000 and Phase II of the development of the new Rowan Cabarrus Community College Business Center.
- Contribution of \$438,835 to Economic Development Corporation.

Revenues by Category

General Fund	Actual FY 03	Amended FY 04	Board Adopted FY 05	Percent Change	Percent of Total
Ad Valorem Taxes	63,501,156	61,879,410	71,206,573	15.07%	54.08%
Other Taxes	21,122,723	26,159,204	26,823,420	2.54%	20.37%
Intergovernmental Revenues	13,929,423	14,990,863	14,425,706	-3.77%	10.96%
Permits and Fees	4,282,642	3,736,862	4,468,358	19.58%	3.39%
Sales and Service	7,719,890	10,121,343	9,008,333	-11.00%	6.84%
Interest Earnings	957,606	500,000	500,000	0	0.38%
Miscellaneous	431,983	697,557	1,288,414	84.70%	0.98%
Other Financing Sources	10,139,615	14,790,960	3,937,040	-73.38%	2.99%
Total	122,085,038	132,876,199	131,657,844	-0.92%	100.00%

Following are major areas of revenue increases in FY 2004:

- Ad valorem, or property tax, revenue is based on a tax rate of \$0. 53 per \$100 of assessed valuation, a \$.03 reduction from the fiscal year 2004 tax rate. The county completed the revaluation effective January 1, 2004, which increased the tax valuation countywide to \$13,798,092,294. The revaluation and current tax rate of \$0.53, along with tax base growth, will produce an increase of current property tax revenues approximately 17.2% over the current year's budget, for a total of \$65,452,906. The revaluation and current tax rate of \$0.53 decreased current vehicle revenue 4.6% over the FY 2004 budget, for a total of \$5,753,667. The tax rate is based upon an estimated valuation of real and personal property for purposes of taxation of \$12,683,172,428 and vehicle estimated valuation of \$ 1,114,919,866, for a total valuation of \$13,798,092,294. Revenue estimates are based on a 97.37% collection rate.

- The General Assembly enacted Senate Bill 500(G.S. 159-11) requiring local governments to publish the revenue neutral tax rate in the year a general revaluation of real property occurs. A revenue neutral tax rate is the rate estimated to produce revenue for the next fiscal year equal to the revenue that would have been produced for the next fiscal year by the current tax rate if no reappraisal had occurred. The county completed a revaluation (Schedule of Values) with an effective date of January 1, 2004. The county's revenue neutral rate applicable to the FY 2005 Revaluation is \$0.0627 based on a statutory calculation for a determined revenue neutral tax rate.
- FY 2005 valuation of real and personal, public service and vehicles of \$13,798,092,294 increased .219171444% over the FY 2004 valuation of \$11,317,598,000 or \$2,480,494,294.
- Sales tax revenues are estimated to increase by 0.031803% over amended FY 2004 totaling \$24,242,420. Adoption of Article 44 local option sales tax (the third one-half cent) approved in March 2003 generated revenue of \$4.1 million.
- Constructions Standard revenues constituted a 31.6% increase or \$600,000 over amended FY 2004 budget.
- Fund Balance appropriation of \$ 2,687,040.
- Contribution from the Capital Reserve Fund of \$1,250,000.
- One-time miscellaneous revenue of \$1.2 million from the sale of the First Union Building.

■ LANDFILL FUND HIGHLIGHTS

Expenditures	Actual FY 03	Amended FY 04	Board Adopted FY 05	Percent Change	Percent of Total
Personal Services	346,738	351,919	361,904	2.84%	36.26%
Operations	834,596	384,103	491,152	27.87%	49.21%
Capital Outlay	0	31,300	145,000	363.26%	14.53%
Total	1,181,334	767,322	998,056	30.07%	100.00%

- The Landfill completed construction of a new Construction and Demolition (C & D) expansion area. The current C & D site is projected to be at capacity July 2005.
- The department will begin closure of the existing C&D site. The closure and construction of the new site will work congruently, as cover material will be used from the new site to cap the old site.
- Replacement of the TC-15 Dozer will total \$145,000.

Revenues by Category

Revenues	Actual FY 03	Amended FY 04	Board Adopted FY 05	Percent Change	Percent of Total
Other Taxes	50,561	55,000	55,000	0	5.51%
Intergovernmental Revenues	67,535	0	0	0	0
Permits and Fees	62,324	17,500	17,500	0	1.75%
Sales & Service	951,975	694,822	925,556	33.21%	92.74%
Investment Earnings	93,218	0	0	0	0
Miscellaneous	76,514	0	0	0	0
Other Financing Sources	0	0	0	0	0
TOTAL	1,302,127	767,322	998,056	30.07%	100.00%

■ CABARRUS ARENA AND EVENTS CENTER

Expenditures	Actual FY 03	Amended FY 04	Board Adopted FY 05	Percent Change	Percent of Total
Personal Services	500,643	837,477	1,039,171	24.08%	38.18%
Operations	1,644,908	1,841,394	1,682,834	-8.61%	61.82%
Capital Outlay	467,237	150,000	0	-100.00%	0
TOTAL	2,612,788	2,828,871	2,722,005	-3.78%	100.00%

- The Cabarrus Arena and Events Center is the newest and most innovative exhibition center in the area. From boardrooms to ballrooms, the Center has more meeting, banquet and exhibit square footage than any facility in Cabarrus County.
- FY 2005 one-time start-up expenditures total \$6,200.
- Management fee expense decrease of \$70,000.

Revenues by Category

Revenues	Actual FY 03	Amended FY 04	Board Adopted FY 05	Percent Change	Percent of Total
Sales and Service	1,226,994	1,821,206	1,782,370	-2.13%	65.48%
Investment Earnings	2,510	0	1,800	0	0.07%
Miscellaneous	5,773	0	450	0	0.02%
Other Financing Sources	1,571,756	1,007,665	937,385	-6.97%	34.44%
TOTAL	2,807,033	2,828,871	2,722,005	-3.78%	100.00%

- General Fund contribution to Cabarrus Arena & Events Center Special Revenue Fund of \$737,385.

■ CABARRUS COUNTY CONVENTION & VISITORS BUREAU

Expenditures	Actual FY 03	Amended FY 04	Board Adopted FY 05	Percent Change	Percent of Total
Personal Services	231,817	238,112	305,117	28.14%	32.14%
Operations	1,158,423	647,061	644,154	-0.45%	67.86%
Capital Outlay	0	0	0	0	0
TOTAL	1,390,240	885,173	949,271	7.24%	100.00%

- New Sports Marketing Manager position request totaling \$53,349 was recommended pending the formulation and implementation of a comprehensive economic development strategy.
- Convention and Visitors Bureau fiscal year 2005 budget contributed \$100,000 to Cabarrus Arena and Events Center Special Revenue Fund.

Revenues by Category

Revenues	Actual FY 03	Amended FY 04	Board Adopted FY 05	Percent Change	Percent of Total
Other Taxes	845,727	838,673	915,571	9.17%	96.45%
Sales and Service	26,752	40,500	24,700	-39.01%	2.60%
Interest Earnings	20,369	6,000	9,000	50.00%	0.95%
Miscellaneous	0	0	0	0	0.00%
Other Financing Sources	0	0	0	0	0.00%
TOTAL	892,848	885,173	949,271	7.24%	100.00%

- FY 2005 budget reflects the current Occupancy Tax rate of five cents (\$.05). No increase was requested.
- Cabarrus County Convention and Visitors Bureau (CVB) recommended designation of fiscal year 2004 appropriation of fund balance.

A motion was made by Roger Haas with a second by Sharon Campbell to designate any unallocated operating fund balance remaining on June 30, 2004, above and beyond the 8% as designated by this board as operating reserve, for operational contingencies. Motion carried.

Cabarrus County Board of Commissioners' motion on July 26, 2004 affirming the Tourism Authority designation of fund balance:

Upon motion of Commissioner Carpenter, seconded by Acting Chairman Carruth and unanimously carried, the Board affirmed the following action taken by the Cabarrus County Tourism Authority (Convention and Visitors Bureau) on May 26, 2004:

A motion was made by Roger Haas with a second by Sharon Campbell to designate any unallocated operating fund balance remaining on June 30, 2004, above and beyond the 8% as designated by this board as operating reserve, for operational contingencies. Motion carried.

■ RELATIONSHIP AMONG THE OPERATING BUDGET, CAPITAL BUDGETS AND THE FIVE YEAR FINANCIAL PLAN

It was our goal to establish a realistic capital budget within the various departments that could be rolled over annually into the operating budget. The importance of strategic planning is emphasized when county department managers prepare annual capital budget requests. The County Manager's responsibility is to review, evaluate and prioritize requests. Operating and capital budgets are closely linked since the operating budget must provide financing, maintenance and operating expenses for any new facilities built. Each year, the County devotes significant sums of money in the operating budget in order to "pay as you go" for most large-dollar capital equipment replacement needs. This policy reduces debt service cost and provides for the orderly replacement of vehicle fleets and renovations paid from the operating budget eliminating the need for bonded debt service. Unless using "pay as you go" financing, borrowing funds through various financing tools must be arranged and principal and interest payments must be appropriated in the operating budget. The County will aggressively seek and use donations of property, funds, and materials or services to supplement funds provided by the public through the issuance of bonds.

The Five Year Financial Plan is a forecast of revenues and expenditures for a five-year period beginning with the proposed annual budget for fiscal year 2005 ensuring that the county's commitments, obligations and anticipated needs are met in a fiscally sound manner. The General Fund undesignated fund balance will be maintained at a level sufficient to provide for the required resources to meet operating cost needs, to allow for unforeseen needs of an emergency nature, and to permit orderly adjustment to changes resulting from fluctuations of revenue sources. Highlighted below are approved five-year Capital Improvement Projects and debt service as it relates to the Five Year Financial Plan through fiscal year 2009.

Government Facilities – Projects require increased operating fund in the amount of \$95,000 during fiscal year 2005. These include aerial digital orthographic photography of Cabarrus County, as well as topographical maps and desktop technology. The Information Technology Department compares the current inventory of desktop personal computers with the current requirements of the various county departments and upgrades selected personal computers to the most current technology. Fiscal year 2006 provides the replacement of current tax billing, collection and assessment software. Fiscal year 2007 provides construction of a new Emergency Medical Services station in Midland of \$600,000 and an equipment shelter for the Grounds Maintenance Department of \$215,200. Fiscal year 2008 implements building improvements for the Historic Cabarrus Building of \$204,000. Fiscal year 2009 provides Phase II of the public parking lot at Corban Avenue of \$255,000, a recreation administration/operation facility of \$765,000 and an addition to the General Services Administration Building of \$315,180. The Capital Improvement Plan is essential to the County's long term planning of projects and a feasible revenue source using the "pay as you go" financing.

Jail Expansion – Construction of a Justice Center will address increased jail populations and establish new court space and office space for state offices. Estimated cost of \$58 million will be financed by Certificates of Participation (COPS). The operational impact on the county budget is the additional debt service of principal and interest totaling \$5,753,364 reflected in the fiscal year 2007. Fiscal year 2008 budget provides employees for the jail expansion.

Parks and Recreation – The fiscal year 2005 operating budget will provide \$857,658 for the administration of the Parks Department and the operation of the parks. Historically, the county has contributed to the expansion of parks. Contributions from the operating budget to the Capital Project Fund totaling \$3,779,189 were appropriated (FY 2001: \$1.6 million, FY 2002: \$1.4 million, FY 2003: \$514,689 and FY 2004: \$264,500). The fiscal year 2009 operating budget will provide a Recreation Administration and Operational Facility. FY 2005 park expansion is provided by grants.

Two School Systems – School capital outlay requests are funded through the operating budget and construction is financed by the issuance of General Obligation Bonds. One cent on the tax rate in the Fiscal Year 2005 budget generates approximately \$1,343,520; therefore, capital outlay funding of \$1,438,761 requires more than one cent of the tax rate. Debt service for prior school construction totaling \$2,872,203 is reflected in the Fiscal Year 2005 budget. On June 24, 2004, the Board of Commissioners approved the placement of \$98 million of General Obligation bonds for the November 2004 election. The bonds will provide additional school buildings and reconstruct existing buildings at the two school systems (\$94.9 million) and the community college (\$3.1 million). Pending the citizens' approval of the \$98 million General Obligation Bonds, a debt service payment of approximately \$9.6 million is reflected in the Fiscal Year 2006 budget.

Rowan Cabarrus Community College Business Center - The operating budget provides current and capital outlay requests by the college. FY 2005 budget reflects current expense appropriation of \$988,669. Enrollment continues to increase due to the Pillowtex closing July 1, 2003 and the growth in population. Capital outlay requests were not submitted in the fiscal year 2005 budget. General Obligation Bonds issuance totaling \$3.1 million authorized by the Board on June 24, 2004 will provide RCCC with an additional educational building and related improvements such as furnishings, equipment and computers. The Board authorized Installment Financing on February 16, 2004 totaling approximately \$4.5 million providing RCCC requests for an additional parking lot at the south campus, renovations, technology and furniture for the new business center at the old School Administration Building and design fees for Building 3000 on the south campus. Debt service for the RCCC Business Center of \$341,875 (one-half year) is reflected in the Fiscal Year 2005 budget.

Cabarrus Arena and Events Center Facility – The county commission established this facility as a priority in Fiscal Year 2002. It provides facilities to host a broad range of events and entertainment options. Long-term uses include the annual county fair, equestrian events, concerts, high school graduation and other similar events drawing public interest. The Fiscal Year 2005 General Fund contribution to the Special Revenue Fund of \$737,385 reflects a 17.87% reduction from the Fiscal Year 2004 contribution. Debt service totaling \$ 1,343,520 is reflected in the county operating budget for Fiscal Year 2005.

The Capital Reserve Fund – Capital Reserve Fund was established to be used as directed by the Board of Commissioners to advance projects, account for project cost overruns or to offset future budgetary allocations. The FY 2005 budget appropriated \$1.2 million eliminating a property tax increase. FY 2005 provides Capital Reserve funding for the following projects: Jail construction expenses of \$500,000, required match for federal and state park constructions grants of \$750,000, purchase of voting equipment for \$1.5 million and funding of an 800Mhz Tower for Flowe Store Road of \$1,562,000. The Five Year Financial Plan anticipates resumption in contributions to the Capital Reserve Fund in fiscal year 2009.

PROGRAM SUMMARY FY 2005

DEPARTMENT: Capital Improvement Program

PROGRAM: Capital Improvement Program

MANDATED SERVICE: No.

PROGRAM SUMMARY: Cabarrus County's annual budget process includes development of a five-year Capital Improvements Program (CIP). The CIP is a plan that matches the county's major capital needs with a financial plan to meet them. The purpose of the Capital Improvement Program is to plan all capital projects with a cost greater than \$100,000 for a period to 5 years. Capital budgets often require significant one-time outlays that represent irreversible decisions. In addition, the development of the CIP offers a number of benefits in the following areas:

1. Needs Assessment and Fulfillment – The CIP is a projection of capital needs that provides a systematic program for meeting these needs. It allows early planning and design for multi-year projects, so that needs can be met in a timely manner.
2. Financial Planning – The CIP process provides a projection of funding needs and a plan to meet these needs. Planning allows time to prepare grant applications and to search out other revenue sources.
3. Policy Review – The CIP is a statement of the County's policy on future capital acquisitions. Its easily reviewable format facilitates citizen review and prioritization of projects by the Board of Commissioners.
4. Project Coordination – The scheduling of capital projects in the CIP can help to demonstrate interrelationships between projects that might otherwise be overlooked.

The planning process is performed annually between the months of December and January. Each department presents its proposed projects to the Budget Officer for review. The CIP Projects are then reviewed by the County Manager during February departmental budget meetings for his recommendations to be presented to the Board of Commissioners. All projects included in the first year (FY 05) of the program are funded in the approved FY 05 annual budget. Projects for years two through five (FY 2006 to 2009) are approved in concept only and must compete for funding in subsequent annual budget processes. However, all capital expenditures found in each year of the CIP have corresponding appropriations in the Five Year Financial Plan.

Annually the Board of Commissioners decides the amount of money that will be allocated for capital outlay purposes to each of the county's two school systems. The Board of Education usually determines how these funds will be spent. However, the Board of Commissioners has the authority to assign school capital spending to specific projects, if it desires to do so.

A Capital Reserve Fund has been established to be used as directed by the Board of Commissioners to advance projects, account for project cost overruns or to offset future budgetary allocations. The FY 2005 recommends Capital Reserve Fund allocations of \$500,000 for early expenses in the jail construction process, \$750,000 to provide the required match for federal and state park construction grants, \$1,562,000 funding for 800Mhz Tower for Flowe Store Road and \$1,500,000 to purchase voting equipment.

The Five Year Financial Plan anticipates resumption in contributions to the Capital Reserve Fund in 2009.

Capital projects are funded by several sources in addition to the capital reserve fund, including annual appropriations, debt and grants.

CABARRUS COUNTY CAPITAL IMPROVEMENT (CIP)

	ACTUAL	BUDGET					BEYOND
	<u>PRIOR</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
<u>CABARRUS COUNTY:</u>							
Phase II Public Parking Lot (Corban)	267,645						255,000
New EMS Station 8 - Midland					600,000		
Historic Cabarrus Building Improvements	136,328	121,627				204,000	
Recreation Adm./Oper. Facility							765,000
Equipment Shelter Grounds Maintenance					215,200		
GSA-Addition to Building	11,708						315,180
Document Imaging	206,638						
Justice Center	120,869	500,000 ¹	500,000 ¹	55,000,000 ²			
800 Mhz Tower - Flowe Store Rd.			1,562,000 ¹	162,000	162,000	162,000	162,000
Kannapolis Library Comm. Room							459,000
Northwest Cabarrus Library						300,000 ³	
Aerial Photography	459,882		50,000	50,000	100,000	150,000	150,000
Tax Software/Hardware				450,500	61,000	61,000	61,000
Voting System				1,500,000 ⁴			
DSS Satellite Office							289,000
Road Construction - Christenbery Rd.	27916	222,084					
Road Construction Projects	564,424				TBD	TBD	TBD
Landfill TD15 Dozer			145,000 ⁵				
Reservoir Land Acquisition	593,781						
Water/Sewer Utility Expansion					TBD	TBD	TBD
Storage Area Network Servers				160,000 ⁶			
Desktop Technology (Domino Project)			45,000	150,000	150,000	150,000	
Real Estate Sale Enhancements -- Old Fair Grounds		47,012					
TOTAL	2,389,191	890,723	2,302,000	57,472,500	1,288,200	1,027,000	2,456,180

Capital Reserve Funding

Certificate of Participation (COPS) Financing

Funding Source will be Concord Library Trust Funds

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

Funding Provided in Solid Waste Enterprise Fund

Funding will be provided with Justice Center Financing

CABARRUS COUNTY CAPITAL IMPROVEMENT (CIP)

	ACTUAL	BUDGET					BEYOND
	PRIOR	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
<u>COUNTY PARKS:</u>							
W.W. Flowe Park	994,919						801,550
Rocky River School/Park	257,311						323,437
North Cabarrus Park	1,074,183				TBD	TBD	982,083
W.M. Irvin School Park							247,296
Winecoff School Park	242,986						
Concord Middle School Park	13,789						248,000
Harrisburg School Park	743,953						311,650
Forest Park School Park							544,648
Frank Liske Park	102,452				TBD		339,250
FLP Soccer Complex	1,362,517						327,750
Cox Mill Elementary School Park					TBD	TBD	
C.C. Griffin Middle School Park							552,595
Harris Road Middle School/Park							684,940
Camp T.N. Spencer Park	525,778	500,000 ¹			TBD	TBD	1,948,571
Atando Road Park					TBD	TBD	725,000
Pharr Mill Road Park			1,000,000 ²				
Park Expansion					150,000	0	8,200,000
SUB TOTAL	5,317,888	500,000	1,000,000	0	150,000	0	16,236,770
<u>PARKS -- COPS FUNDING</u>							
Bethel Elementary School Park		800,000					
Kannapolis Middle School Park		800,000					
Pitts School Park		800,000					
TOTAL COPS FUNDING		2,400,000 ³					
GRAND TOTAL PARKS	5,317,888	2,900,000	1,000,000	0	150,000	0	16,236,770

^{1.} PARTF Grant - \$250,000 reimbursement - Capital Reserve Funding

^{2.} PARTF Grant - \$500,000 reimbursement - Capital Reserve Funding

^{3.} Certificate of Participation (COP's) financing

CABARRUS COUNTY CAPITAL IMPROVEMENT (CIP)

	ACTUAL	BUDGET					BEYOND
	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
CABARRUS COUNTY SCHOOLS							
School Site Development/Land Acquisition	376,373						
Architect & Engineers / Legal Fees	54,608						
Capital Outlay Expense Funding	0	900,000	1,288,761 **	1,301,250	1,474,750	1,648,250	1,821,750
Capital School Startup Funding	450,000	150,000	150,000 ^{1.}	150,000 ^{2.}			
School Administrative Offices/Bus Garage School Maintenance/Warehouse Bldg.	3,606,021	491,479 ^{3.}					
Five Gymnasiums	2,292,424	206,223 ^{3.}					
3 New Schools and 2 Renovations		47,529,476 ^{4.}					
TOTAL	6,779,426	49,277,178	1,438,761	1,451,250	1,474,750	1,648,250	1,821,750
KANNAPOLIS CITY SCHOOLS							
Capital Outlay Expense Funding	0	426,000	196,843 **	198,750	225,250	251,750	278,250
Capital School Startup Funding Kann Mid				150,000			
TOTAL	0	426,000	196,843	348,750	225,250	251,750	278,250
ROWAN CAB. COMMUNITY COLLEGE							
Capital Outlay Expense Funding	14,894	81,500 ^{5.}					
Parking Lot - RCCC			400,000 ^{6.}				
Additional Campus Building		57,188 ^{7.}	500,000 ^{6.}				
Renovate Phase I RCCC		189,500					
Renovate Phase II RCCC			3,600,000 ^{6.}				
TOTAL	14,894	328,188	4,500,000	0			
TOTAL SCHOOLS	6,794,320	50,031,366	6,135,604	1,800,000	1,700,000	1,900,000	2,100,000
CABARRUS COUNTY GRAND TOTAL	6,794,320	50,031,366	9,437,604	59,272,500	3,138,200	2,927,000	20,792,950
Additional (Other than General Fund)							
Funding Provided From:							
Capital Reserve Fund			(2,062,000)	(1,662,000)			
Grants			(1,000,000)			(300,000)	
Landfill Enterprise Fund			(145,000)				
Installment Financing			(4,500,000)				
COPS Funding				(55,160,000)			
TOTAL CAPITAL OUTLAY FROM GENERAL FUND			1,730,604	2,450,500	3,138,200	2,627,000	20,792,950

^{1.} Startup cost for Bethel Elementary

^{2.} Startup cost for Pitt School Road Elementary

^{3.} Certificate of Participation (COPS) Financing

^{4.} COPS- 3 New Schools (Bethel and Pitt School Elementary, Kannapolis Middle) 2 Renovations (Shadybrook and Fred L. Wilson Elementary Schools)

^{5.} Final Allocation of 3 year Capital Needs approved in FY 2002

^{6.} Installment Financing.

^{7.} County participation required for State Bond Funds

** Pending the sale of the First Union Building Capital Outlay Appropriations will be made to the two school systems.

CABARRUS COUNTY GOVERNMENT

Phase II Public Parking Lot

Expansion of the Corban Avenue Parking lot adjacent Clara Harris School Property.

New EMS Station 8 for Midland

Construction of an EMS station to cover southern part of Cabarrus County that is experiencing significant growth. Land may be available at a new elementary school and proposed park thus reducing the cost.

Historic Cabarrus

Renovations to the old courthouse.

Recreation Administration Operations Facility

This proposal is to potentially relocate the Cabarrus County Parks and Recreation Administration/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.

Document Imaging

Purchase of a document imaging system to service the following departments: Board of Commissioners, County Manager, Personnel, Tax Administration, Development Services, Veterans and Department of Social Services. Scanning stations would be set up in each department to image vital documents to storage on NT servers. Public records, such as, property cards and land records card files would be made available on the County web site.

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.

Aerial Photography

This project includes aerial digital orthographic photography of Cabarrus County, as well as topographical maps. The Cities of Concord and Kannapolis and the town of Harrisburg are to be topographically mapped at 2-foot intervals, with the remainder of the county at 5-foot intervals. This project also includes structural coordinates. Due to growth in the county, the useful life of these aerials is projected to be five years. Therefore, this proposal will repeat in that timeframe.

Tax Hardware/Software

Replacement of current tax billing, collection and assessment software.

New 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.

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.

Water / Sewer Utility Expansion

Expansion / Sewer Capacity

Storage Area Network Servers

Purchase two SAN servers locating them in the new Justice Center to keep DSS data and Munis, Cott and Governmental Center network data. SANS will provide redundancy of data for failure capability and disaster recovery.

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/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. Attached is a summary of these six phases.

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. 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. Needed to complete the project include: light/fence/irrigation/turf two (2) ballfield-soccer combo fields, paved/perimeter trail, and signage.

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: 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.

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.

Park Expansion

Future park locations and renovations

PARKS – COPS FUNDING

Bethel Elementary

Development of the Bethel Elementary School park is to replace the existing School Park. Included are: lights, fence, dugouts, bleachers, benches, irrigation/turf and scoreboard for two 200' ballfields, one 300' ballfield and one regulation soccer field. ADA accessibility will be provided. Scoreboard and bleachers for gymnasium are also included.

Kannapolis Intermediate School

Development of a school park at the new Kannapolis Intermediate School. The project will include: concession/restroom building, lights for one 300' and one 200' ballfield and one soccer field, irrigation/turfing, holding tank/wells/bleachers, dugouts, ADA accessible restrooms/parking/walkway, paved perimeter trail, and signage. The school system will develop the grading and fencing and provide utilities to site.

Pitts School Elementary

Development of a school/park at the new Pitts School Road Elementary School will include: concession/restroom building, lights for two 200' fields and one soccer field, fencing, irrigation/turfing/holding tank/wells, bleachers/player benches/dugouts, and gymnasium bleachers and scoreboard, ADA accessibility to facility, paved perimeter trail, and signage.

CABARRUS COUNTY SCHOOLS

School Site Development / Land Acquisition

To meet school enrollment needs the County will need to continue to buy property for additional schools. The Board of Education has not determined all of their needs, but it is assumed that additional property will be needed for all grade levels. Specific locations and types of schools applicable will be defined prior to each purchase.

Architect and Engineers

Engineering and Architect fees related to building new schools.

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).

School Startup Funding

Each new school or replacement school typically has been allocated \$150,000 for school startup costs.

School Bus Service Garage/

Construct a new school (15,000-sq. ft.) service garage to allow for the relocation of the existing garage on Union Cemetery Road. The facility will be used to service the Board of Education's fleet of school buses and other vehicles used in the maintenance of the schools.

School Administrative Offices

Construct new Administrative Offices (40,000-sq. ft.) on property adjacent to County Expo property. Proceeds from the sale of the property located on Highway 29 and Highway 601 will subsidize this project.

Schools Maintenance / Warehouse Building

Construct a new building (25,000 sq. ft.) to allow for the sale of the school's property on Highway 29 and to relocate the school's building maintenance shop, supply warehouse and their respective administrative offices for each.

Five Gymnasiums

Auxiliary gyms for Mt. Pleasant High School, Central Cabarrus High School, Concord High School, Northwest Middle School, and J.N. Fries Middle School.

Three New Schools and Two Renovations

New Schools – Bethel Elementary, Pitt Elementary, Kannapolis Middle / Renovations for Shadybrook Elementary and Fred L. Wilson Elementary.

KANNAPOLIS CITY SCHOOLS

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

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

ROWAN CABARRUS COMMUNITY COLLEGE**Site Improvements (Capital Outlay)****Parking Lot**

Additional Parking Lot at the South Campus

Additional Campus Building

Building 3000 at the South Campus.

**CABARRUS COUNTY
BUDGET ORDINANCE
FISCAL YEAR 2004-2005**

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, 2004, and ending June 30, 2005:

Current Ad Valorem Tax Levy	71,206,573
Other Taxes and Penalties	26,823,420
Intergovernmental Revenue	14,425,706
Permits and Fees	4,468,358
Sales and Services	9,008,333
Investment Earnings	500,000
Other Revenue	1,288,414
Other Financing Sources	1,250,000
Fund Balance Appropriated	2,687,040
TOTAL REVENUES	131,657,844

- 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, 2004, and ending June 30, 2005:

General Government	11,751,732
Cultural and Recreational	3,101,764
Public Safety	16,207,506
Economic and Physical Development	5,790,245
Human Services	31,255,458
Environmental Protection	217,235
Education/School Debt	53,396,314
Other Programs	7,147,794
Other Debt Service	2,789,796
TOTAL EXPENDITURES	131,657,844

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, 2004 and ending June 30, 2005:

Sales and Service	1,782,370
Investment Earnings	1,800
Other Revenue	450
Other Financing Sources	837,385
Fund Balance Appropriated	100,000
TOTAL REVENUES	2,722,005

- B. The following appropriations are made in the Cabarrus Arena and Events Center for the Fiscal Year beginning July 1, 2004 and ending June 30, 2005:

Administration and Operations	2,722,005
TOTAL EXPENDITURES	2,722,005

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, 2004 and ending June 30, 2005:

Other Taxes	55,000
Permits & Fees	17,500

Sales and Service	925,556
Fund Balance Appropriated	0
TOTAL REVENUES	998,056

- B. The following appropriations are made in the Landfill Fund for the Fiscal Year beginning July 1, 2004 and ending June 30, 2005:

Administration and Operations	998,056
TOTAL EXPENDITURES	998,056

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 01, 2004 and ending June 30, 2005:

Other Taxes	915,571
Sales and Service	24,700
Investment Earnings	9,000
TOTAL REVENUES	949,271

- B. The following appropriations are made in the Cabarrus County Convention and Visitors Bureau Fund for the Fiscal Year beginning July 01, 2004 and ending June 30, 2005:

Operations and Reserve	949,271
TOTAL EXPENDITURES	949,271

Section V.

There is hereby levied a tax at the rate of .53 cents per one hundred dollars valuation of property listed for taxes as of January 1, 2004, 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 \$ 13,798,092,294 at an estimated collection rate of 97.37 percent. The estimated rate of collections is based on the fiscal year ending 2003. An estimated total valuation of Real, Personal and Public Service property is \$12,683,172,428 and vehicle of \$1,114,919,866.

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 2004-05 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 15th day of June, 2004.

Robert M. Freeman, Chairman

Frankie F. Bonds, Clerk to the Board

**CABARRUS COUNTY BUDGET ORDINANCE
SPECIAL FIRE AND SERVICE DISTRICT TAXES FUND
FISCAL YEAR 2004-2005**

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, 2004 and ending June 30, 2005:

<u>Fire Department</u>	<u>Appropriation</u>
Allen	\$ 147,026
Cold Water	126,145
Enochville	49,154
Flowe's Store	130,265
Georgeville	101,525
Gold Hill	15,965
Harrisburg	735,017
Jackson Park	81,611
Midland	248,672
Mt. Mitchell	41,846
Odell	186,171
Rimer	81,035
Winecoff - Contracted to City of Kannapolis	8,376
Northeast	58,606
Mt. Pleasant Rural	131,292
Richfield-Misenheimer	6,710
Total Estimated Expenditures From Tax Levy	\$ 2,149,416

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, 2004 and ending June 30, 2005:

<u>Fire Department</u>	<u>Revenues from Tax Levy</u>
Allen	\$ 147,026
Cold Water	126,145
Enochville	49,154
Flowe's Store	130,265
Georgeville	101,525
Gold Hill	15,965
Harrisburg	735,017
Jackson Park	81,611
Midland	248,672
Mt. Mitchell	41,846
Odell	186,171
Rimer	81,035
Winecoff - Contracted to City of Kannapolis	8,376
Northeast	58,606
Mt. Pleasant Rural	131,292
Richfield-Misenheimer	6,710
Total Revenues From Tax Levy	\$ 2,149,416

Section IV.

The following tax rates are hereby established for the fiscal year beginning July 1, 2004 and ending June 30, 2005 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, 2004. The estimated rate of collections is 97.37 percent and is based on the fiscal year ending 2003. 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:

Fire Districts	Total Valuation	Rate	Amount Produced (97.37% collection rate)
Allen	377,493,172	.04	147,026
Cold Water	259,103,577	.05	126,145
Enochville	126,204,190	.04	49,154
Flowe's Store	334,459,039	.04	130,265
Georgeville	173,777,870	.06	101,525
Gold Hill	32,792,065	.05	15,965
Harrisburg	1,372,491,151	.0550	735,017
Jackson Park	186,256,092	.045	81,611
Midland	510,776,899	.05	248,672
Mt. Mitchell	85,953,261	.05	41,846
Odell	637,331,428	.03	186,171
Rimer	138,705,512	.06	81,035
Winecoff - Contracted to City of Kannapolis	24,576,519	.035	8,376
Northeast	85,984,201	.07	58,606
Mt. Pleasant Rural	299,640,709	.0450	131,292
Richfield-Misenheimer	9,844,786	.07	6,710

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 15th day of June, 2004.

Robert M. Freeman, Chairman

Frankie F. Bonds, Clerk to the Board