

# Annual Budget

## FY 2006-07

County of Pitt  
North Carolina



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# COUNTY OF PITT

## MISSION STATEMENT

*The Mission of Pitt County Government is to enhance the health, safety, and well-being of our community by advocating for and providing quality services in a friendly and cost-effective manner.*

## VISION

*A Leader in the State; Best in the East.*

## VALUES

*Pitt County Government believes our purpose is public service. Thus, we adhere to the following:*

- Encourage honesty and behavior that is consistent with our mission;*
- Recognize and promote competence, excellence, and open communication;*
- Support each other in working toward our goals;*
- Maintain an open government that is a good steward of public resources;*
- Support decision making that is deliberate, conscientious, and based on fact.*

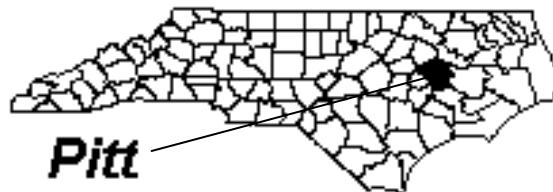
## GOALS FOR FY 2006-07

- To ensure quality education;*
- To ensure community safety through enhanced emergency service programs;*
- To enrich the quality of life for Pitt County citizens through opportunities for improved health and welfare;*
- To advance economic development opportunities for Pitt County;*
- To address the facility and space needs of all county government programs—general government, public schools and community college;*
- To champion infrastructure improvements throughout the county; and*
- To support the provision of and access to recreational activities for county citizens.*

## **PITT COUNTY PROFILE**

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Pitt County was formed in 1760 and has a land area of approximately 656 square miles. Pitt County's 2005 estimated population is 143,212 based on the North Carolina Office of State Budget and Management's provisional estimate. In the 2000 Census, the County's population was 133,798. Greenville, the county seat and largest city, is centrally located in the County. There are nine other incorporated municipalities within Pitt County. Through its location at the hub of a radiating highway network, the County serves the largest concentration of population and industry in the eastern portion of North Carolina. Over one-half million people live within a 45-mile radius of the County.



Pitt County is a rapidly growing, well-diversified employment and service center for eastern North Carolina. As one of the fastest growing centers in the State, the population increased by 23.34% between 1990 and 2000. Pitt County now ranks as the 13<sup>th</sup> most populous county in North Carolina. The Greenville Metropolitan Statistical Area (MSA), which encompasses all of Pitt County, was the fourth fastest growing MSA in the State during the 1990's. Greenville is the home to East Carolina University and the East Carolina University School of Medicine. Major employers in the area include East Carolina University, Pitt County Memorial Hospital, DSM Pharmaceuticals, NACCO Materials Handling Group, Collins & Aikman, Alliance One, and Grady-White Boats. As a university community with a strong business and manufacturing base, the area is characterized by an expanding, highly productive, multi-skilled labor force; a diversified economic base; a low cost of living; an excellent educational system; a large regional health care complex; abundant cultural and recreational opportunities; financially sound, progressive, and pro-business local government; and a mild climate.

Located on the coastal plain, the County is in the eastern part of North Carolina, approximately 90 miles east of the capital city of Raleigh, 75 miles from the Atlantic Ocean, and 220 miles south of Washington, D. C. The Tar River runs through the center of the County. The land generally slopes toward the east and is level with low rolling hills in the west. The temperatures average from a daily high of 73 degrees to a daily low of 50 degrees. The average precipitation is 47 inches of rainfall with only occasional accumulations of snowfall each year.

The County operates under the Commissioner-Manager form of government with the nine members of the Board of Commissioners being elected from districts on a partisan basis for staggered, four-year terms. The Chairman presides over all County Commissioner meetings (held on the first and third Monday of each month) and has the ability to vote on any issue. The Commissioners enact all general and technical ordinances, approve the annual budget and set the accompanying tax rate, approve contracts and originate general management policies. The Commissioners employ a County Manager, who serves at the Board's pleasure and who directs the daily operations of the County with the assistance of three Deputy Managers.

Property taxes may be levied by the County without a vote of the people and are collected as an annual ad valorem tax (\$0.70 per \$100 valuation for fiscal year 2006) on the appraised value of all real and tangible personal property within its boundaries.

## **EDUCATION**

Pitt County is served by a public school system as well as many excellent private parochial and non-parochial schools. Advanced educational opportunities within the county are also abundant.

## **PITT COUNTY PROFILE**

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### Pitt County Schools

One public school system serves Pitt County and its municipalities. The Pitt County Schools Administrative Unit is governed by the Board of Education consisting of twelve members, two each elected from six geographic districts. A school superintendent is appointed by the Board of Education.

The State provides funding for a basic minimum educational program (approximately 66%) which is supplemented by the County and Federal governments. This minimum program provides funds for operational costs only. The financing of public school facilities has been a joint State and County effort. Thus, local financial support from the County is provided for capital and operating costs which are not provided for by the State or Federal government.

### Pitt Community College

Established in 1961, Pitt Community College (PCC) is accredited by the Commission on Colleges of the Southern Association of Colleges and Schools to award Associate Degrees. PCC is governed by a 12-member Board of Trustees, four of whom are appointed by the Board of Commissioners, four by the County Board of Education and four by the Governor to serve four-year, staggered terms. The State provides primary funding (77%) for the Community College. The remainder is shared by the Board of Trustees and Pitt County.

PCC is a comprehensive two-year college offering approximately 44 associate degree programs, numerous certificate programs, 22 diploma programs, and 18 college transfer programs. In terms of curriculum programs, PCC is the 6<sup>th</sup> largest out of 59 schools in North Carolina's community college system. School enrollment for 2005 was in excess of 8,473 curriculum students and 10,225 continuing education students. PCC's educational programs and services are focused to meet the needs of local communities for higher academic education, employment skills, basic education skills, job retraining, personal growth and development, community workplace literacy, and community and economic development. PCC is well-known in the North Carolina Community College System for its specialization in medical career programs. PCC's expanded instruction offerings include more than 250 Internet classes, classes via the NC Information Highway, telecourses, and community-based classes.

### East Carolina University

East Carolina University (ECU) is the third largest of North Carolina's 53 private and public four-year colleges and universities with enrollment of over 23,164 students. Founded in 1907 as a state-supported teacher training school, it became a liberal arts college in 1941, and a state university in 1967. It is now a Doctoral II institution offering approximately 200 undergraduate, graduate, and doctorate degree programs in its twelve professional schools, College of Arts and Sciences, and School of Medicine. ECU leads the state in Internet-based education with enrollment of approximately 5,000. The University's Brody School of Medicine operates a family practice center, cancer center, and outpatient clinics in several medical specialties. It is well-known for its groundbreaking work in telemedicine and robot-assisted surgery.

## **TRANSPORTATION**

Access to the area is provided by an east-west Interstate-quality freeway, a north-south four-lane highway, two railroads, and three commercial airports. An international airport is within two hours drive and Interstate-95 is within 30 miles of Pitt County. Thirty-two motor freight carriers provide regular service to the area, with ten operating terminals within the County. Three major deep water ports—Wilmington, NC, Morehead City, NC, and Norfolk, VA—are within 120 miles of the area.

## ***PITT COUNTY PROFILE***

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The County has approximately 1565 linear miles of public roads and highways. The County has no financial responsibility with respect to maintenance and construction of roads. Major expansion, improvement and maintenance of primary and secondary highway thoroughfares fall under the responsibilities of the State.

The Pitt-Greenville Airport (the "Airport") is an approximately 1000-acre municipal facility, owned jointly by the County and the City of Greenville and located adjacent to the Greenville Industrial Park in the northwest portion of Greenville. By joint resolution of the Greenville City Council and the Board of County Commissioners and by an act of the State General Assembly, the Pitt-Greenville Airport Authority, a body politic and corporate, was created to oversee and direct the operations, maintenance and improvements of the Airport. The Airport is a non-hub Regional (Commuter) Airport currently served by US Air Express, with round trips daily to its hub in Charlotte. In addition to airline activity, the Airport serves as the portal of entry for a myriad of corporate and business aircraft serving such clients as DSM Pharmaceuticals, Grady-White Boats, Weyerhaeuser, Collins & Aikman and NACCO Materials Handling. Other services utilizing the Airport include air ambulance and air freight companies.

Daily rail service is provided to the County by CSX Transportation and Norfolk-Southern Railway, two of the nation's largest railroad systems. Interconnecting in Greenville, these systems allow for the transport of freight shipments to and from such cities as Atlanta, New Orleans, Miami, St. Louis, Chicago, Detroit, Philadelphia and Pittsburgh.

The County is served by two public transit systems—one that is operated by the City of Greenville and the other, sponsored by the County. The City of Greenville operates a bus system within its corporate limits. The County has no financial responsibility for subsidizing such service. Pitt Area Transit System, Inc., a non-profit corporation under the sponsorship of the County, operates a rural human service transit system to transport clients to human service agencies.

## ***HUMAN SERVICES***

### *Social Services*

The Department of Social Services administers the following Public Assistance or Income Maintenance programs: Medicaid, Work First Cash Assistance, Special Assistance to Adults, Food Stamps, and Energy Assistance. In addition to the public assistance programs, the Department of Social Services operates the child support enforcement program.

The Department of Social Services provides protective services for abused and neglected children and adults, foster care for children and adults, adoption services, day care services for children, family planning, employment counseling services, in-home services, and individual and family adjustment services. It also assists persons in securing health care consumer education and other informational services.

### *Mental Health Center*

The Pitt County Mental Health, Developmental Disabilities and Substance Abuse Center is responsible for managing a comprehensive array of services and supports to meet the needs of the citizens of Pitt County. As of August 12, 2002, the Pitt County Mental Health Agency became a formal department of County government. The 19-member advisory committee, appointed by the county commissioners, works to carry out the agency's mission: "To empower people to overcome life's challenges by providing quality, affordable mental health, developmental disabilities and substance abuse services and supports."

## **PITT COUNTY PROFILE**

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As a result of House Bill 381, adopted in the 2002 legislative session, the mental health system in North Carolina has been in an evolving state. Public agencies have become managers of service versus direct service providers. While this has been a multi-year process, Pitt County completed its transition to a Local Management Entity (LME) effective July 1, 2005. By taking a planned orderly approach, the citizens have continued to receive excellent care from private providers. In May 2006, Pitt County adopted a "Resolution of Intent" and is actively pursuing the creation of an 8-county LME to be made up of Pitt, Craven, Jones, Pamlico, Bertie, Gates, Northampton & Hertford Counties and serving an approximate population of 340,000.

### Public Health Department

The primary purpose of the Public Health Department is to ensure the health and well being of the citizens of the County by means of various population based activities that fall into the general strategy of health promotion and disease prevention. This strategy distinguishes public health activities from other health care activities that are more curative in nature and more individualized in scope. The mandate of the Public Health Department is defined in the General Statutes of the State of North Carolina and the responsibility for administration of activities as assumed by County government are implemented through the County Board of Health.

The scope of Public Health Department activities falls into six broad categories, including: (a) control of communicable diseases, which includes environmental health activities, control of sexually transmitted diseases, control of tuberculosis and control of other childhood diseases in child care settings; (b) specific health care services to assure minimal preventive health services for the indigent, including immunization, family planning, prenatal care, well baby care and specialized services for children with special needs; (c) nutrition education and food supplementation; (d) screening and early detection activities directed at the adult population; (e) support and follow-up services especially for high risk infants and pregnant women; and (f) health education and health promotion activities, including an on-going community diagnosis to identify specific community based health problems and develop appropriate interventions.

## **MEDICAL FACILITIES**

### Pitt County Memorial Hospital

Pitt County Memorial Hospital (PCMH) is a 745-bed private, not-for-profit acute care hospital. Located on the western border of Greenville, the hospital facilities were built in 1977. PCMH was transferred by Pitt County in 1998 for operation by Pitt County Memorial Hospital, Inc., (the "Corporation") as a private non-profit corporation. Eleven of the twenty members of the Board of Trustees of the Corporation are appointed by the Pitt County Board of Commissioners.

PCMH is one of four academic medical teaching centers in the State and serves as a teaching hospital for the ECU Brody School of Medicine. PCMH is a regional health care referral center serving over 1.2 million people in a 29-county area with a multitude of services that include organ transplant; a Level I Trauma Center; air ambulance service; neonatal intensive care; and centers for rehabilitation, diabetes, cancer, and cardiac care.

### ECU School of Medicine

The ECU School of Medicine was established in 1975 by an act of the North Carolina General Assembly. The ECU Brody School of Medicine has a threefold mission: to produce primary care physicians—especially family doctors—to serve the State, to increase opportunities for minorities and disadvantaged students to pursue a medical education, and to enhance the system of health care in eastern North

## ***PITT COUNTY PROFILE***

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Carolina. In addition to educational programs, patient care and research are focal points of the School of Medicine. The school is the principal source of advanced referral medical care for citizens of eastern North Carolina, and is an important source of primary care for citizens of Pitt County.

## ELECTION DISTRICTS

# 2006 Pitt County Board of Commissioners



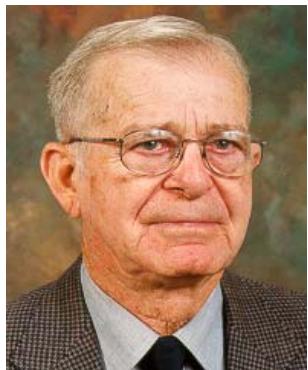
**Vice -Chairman**  
**Beth B. Ward**  
**Districts 4 & 5**



**Chairman**  
**Jimmy Garris**  
**District 5**



**Melvin McLawhorn**  
**Districts 1 & 2**



**Eugene James**  
**District 2**



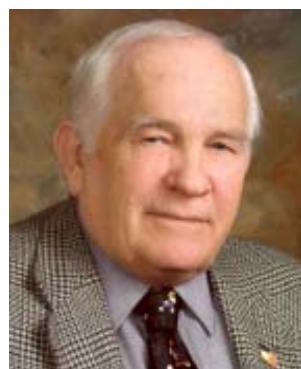
**Mark W. Owens, Jr.**  
**District 4**



**David Hammond**  
**District 1**



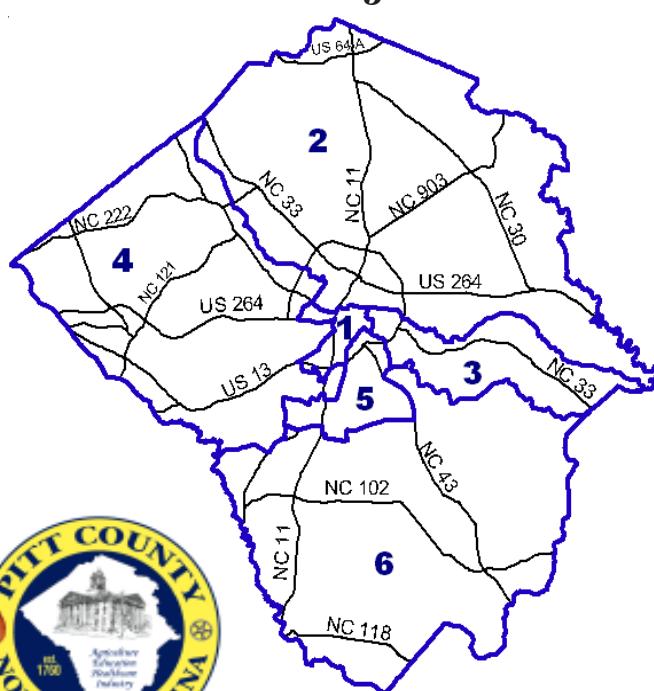
**Tom Coulson**  
**Districts 3 & 6**



**Glenn Bowen**  
**District 6**



**John Minges**  
**District 3**



## **READER'S GUIDE**

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It is our desire to provide the necessary information for understanding the Pitt County Budget in an easy to read format. Government as a whole is sometimes very complex and confusing, and often the lines between responsibilities of state, county, and city governments become blurred. The Pitt County 2006-07 Budget strives not only to present the financial aspects of the County's annual budget, but also to serve as a policy document, an operations guide, and most importantly, as a communications medium to the citizens of Pitt County so they may understand where, why, and how various monies are spent on programs and services.

Following this **INTRODUCTION** section is the County Manager's **BUDGET MESSAGE**. The budget message acts as a cover letter to the budget, including pertinent information that highlights the Manager's Recommended Budget to the Board of Commissioners. The message contains details about the County's priorities and work programs for the upcoming year as well as financial condition and future issues.

The next section contains the **BUDGET ORDINANCE**, which is the official action of the Pitt County Board of Commissioners to adopt the budget. This Ordinance sets the legal spending limits for the various funds as well as sets the tax rate for the current year's property tax, the tax rates for Fire and EMS Districts, and the solid waste disposal fees.

The **BUDGET SUMMARY** includes a variety of synopsizes on such issues as the County's Budget Process, Budget Policies, Accounting System, Debt Information, Fund Assignments, etc. It also contains in recap and visual form the Revenue, Expenditure, and Human Resource information, which is shown individually within each departmental budget.

Pitt County's budget is grouped by fund types which are represented in this book by non-bold divider tabs in all capital letters. A fund is an accounting description for a balanced set of revenues and expenditures grouped together for the purpose of carrying on specific activities. The four fund types in this budget are the General Fund, Special Revenue Funds, an Enterprise Fund, and Internal Service Funds.

The first fund represented is the **GENERAL FUND**. This is the principal fund to account for the provision of basic governmental services and is primarily supported by property taxes, sales taxes, permits and fees, state and federal government revenues, and miscellaneous other sources. Departments in the General Fund are grouped by service area to better identify the type of service provided. These service areas are indicated with italicized divider tabs and include **General Government, Cultural & Recreational, Public Safety, Economic & Physical Development, Human Services, Environmental Protection, Education, Debt Service, and Other Programs**. Behind each of these service area categories, departments are shown separately with summary information about the department, accomplishments for the previous year, goals and objectives for the coming year, and performance indicators which may indicate workload, efficiency, or effectiveness of the department. A summary of the department's approved expenditures and revenue sources is shown as well as the authorized employee position total. Position count is shown in Full Time Equivalents (FTE), which means all full time and partial time positions are added together for the total, i.e., two half time positions would equal one FTE.

The next fund section is the **SPECIAL REVENUE FUNDS**. These funds were established to account for proceeds and expenditures which are restricted for special purposes and include: Pitt County Schools Capital Reserve Fund, Revaluation Fund, Industrial Development Commission Funds, Fire Districts Fund, EMS District Fund, E911 Surcharge Fund, State Grants Fund, and Pitt County Schools Improvement Projects Fund.

Pitt County has one **ENTERPRISE FUND** for Solid Waste and Recycling. The Solid Waste and Recycling function is operated similar to a private business in that the cost of providing the services are primarily financed through the charges imposed.

## **READER'S GUIDE**

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The next fund type is the **INTERNAL SERVICE FUNDS**. The Employee Medical Insurance Fund, Workers' Compensation Fund, and Garage Fund are set up to account for goods or services provided by one department or agency to other departments/agencies internal to the organization.

Lastly, the only **FIDUCIARY FUND** budgeted annually is the Law Enforcement Officers' Pension Fund. These funds are held by the County in a trustee or agent capacity.

The **CAPITAL IMPROVEMENT PLAN** is a projected five-year plan for major capital projects. Proposed funding sources are identified for projects on the plan. The Plan has been supported by the board, but as a working plan, new projects are subject to change, deletion or reprioritization as deemed appropriate by the Board. Each project is set up by Capital Project Ordinance upon final approval.

The **APPENDICES** section of the budget includes a Glossary of budgetary, accounting, and County terminology; a Department Contacts list providing names, addresses, phone, fax, and email information; and a Community Profile section that provides various statistical information about the Pitt County area.

Should you have any questions after review of Pitt County's Fiscal Year 2006-07 Annual Budget, please contact us. Address budgetary questions to Shelley Leach, Budget & Grants Analyst, at 252-902-3009 or for general information questions about County services or departments, call 252-902-1000.

## **MANAGER'S BUDGET MESSAGE**

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June, 2006

**To the Pitt County Board of Commissioners and Citizens:**

The Fiscal Year 2006-07 Annual Budget for Pitt County is presented herewith. A preliminary balanced budget was submitted May 15 and budget workshops were held on May 16, 17, and 18 for review and discussion. The Manager's Recommended Budget was presented on June 5 and a public hearing was conducted on June 6. The Budget Ordinance totaling \$199,794,607 was adopted on June 6, 2006.

The Manager's Budget Message on the pages that follow is as presented with the Manager's Recommended Budget. Changes made to the budget by the Board of Commissioners before adoption of the final budget are not contained in this message. The Commissioners chose to reduce the \$2.38 million increased funding to the Board of Education for current expense by \$500,000 and to add an additional 1.5 positions at an additional cost of \$62,963. One additional Environmental Health Specialist was allocated to the Health Department and an additional .50 to the Veterans Service Office. Other than these three areas, the remainder of the original message reflects the final provisions of the budget.

The Budget represents hundreds of hours of deliberation on the part of many people—staff, departments, and the Board—and we extend our appreciation to all of them.

Sincerely,

D. Scott Elliott  
County Manager



June 5, 2006

**To the Pitt County Board of Commissioners and Citizens:**

The proposed Fiscal Year (FY) 2006-07 Budget for Pitt County, North Carolina, has been prepared in accordance with the North Carolina Local Government Budget and Fiscal Control Act and General Statute 153-A-82. The budget identifies revenue and expenditure estimates for FY 06-07 and attempts to maintain Pitt County's tradition of high quality services.

The proposed budget for FY 06-07 totals \$200,182,342. This budget represents a decrease of 3.3% when compared to the current year's amended budget. The General Fund, the County's main control fund, is projected at \$102,270,995 or a 3.00% increase from the current year. The proposed tax rate to support the FY 06-07 budget is 70 cents per \$100 of valuation. The distribution of these funds is 68½ cents supporting general government operations and 1½ cents directed to Industrial Development.

**Highlights:**

- Maintains Ad Valorem Tax Rate at 70 cents
- Maintains EMS Tax Rate at 4 cents
- Sustains & Exceeds Top One-Third in State for Funding to Pitt County Schools

**BUDGET PROCESS**

The Board of Commissioners began the budget season in January by reviewing and affirming the overall goals of the County for the upcoming year.

Departments submitted their FY 06-07 budget requests in late March. Budget conferences to review departmental budgets, line item by line item, were conducted with individual department heads in mid-April. From revenue projections and the information gained from departments, the preliminary budget reductions taken from the requests included reducing new positions, travel/training, capital and other miscellaneous expenses. The manager's reductions to requests totaled over \$5.5 million.

A preliminary balanced budget was presented to the Board in accordance with General Statute requirements on May 15. The Manager's balanced budget was the impetus for discussion at workshops held on May 16, 17, and 18.

*NOTE: This budget message is as presented by the County Manager prior to adoption of the budget. Changes made by the Board of Commissioners upon final adoption are not reflected within this letter.*

**MAJOR BUDGET INITIATIVES**

At the Board's January 23 meeting, Commissioners assessed and affirmed their priority areas to include:

1. Education / Schools
2. Community Safety / Emergency Services
3. Health / Welfare
4. Economic Development
5. Facilities / Space Needs
6. Infrastructure
7. Recreation & Parks

The recommended budget seeks to maintain the Board's priorities and to continue progress in meeting the ongoing needs of our citizens and the provision of those public services mandated by state or federal law. Major initiatives included in the coming year's program of work include:

- Upgrade of 911 Communications Center radio console;
- Implementation of Year 1 Position Classification Review findings for Clerical Administrative/Paraprofessional job classes and begin review of Year 2 for Technical/Law Enforcement job classifications;
- Addition of two new positions in Environmental Health dedicated to on-site wastewater inspections;
- Enhancement/upgrade of Permitting Center software;
- Regionalization of Mental Health from single county Local Management Entity;
- Construction of Detention Center bed addition;
- Review Statements of Interest from potential EMS providers, determining best delivery structure and implementing proposal that will improve efficiency and fiscal responsibility for the emergency medical services provided to citizens;
- Seek relief from the State for the burden of Medicaid costs through lobbying efforts; and
- Obtain legislative approval for a 1/2% local option sales tax for the dedicated purpose of funding the capital needs of the education system.

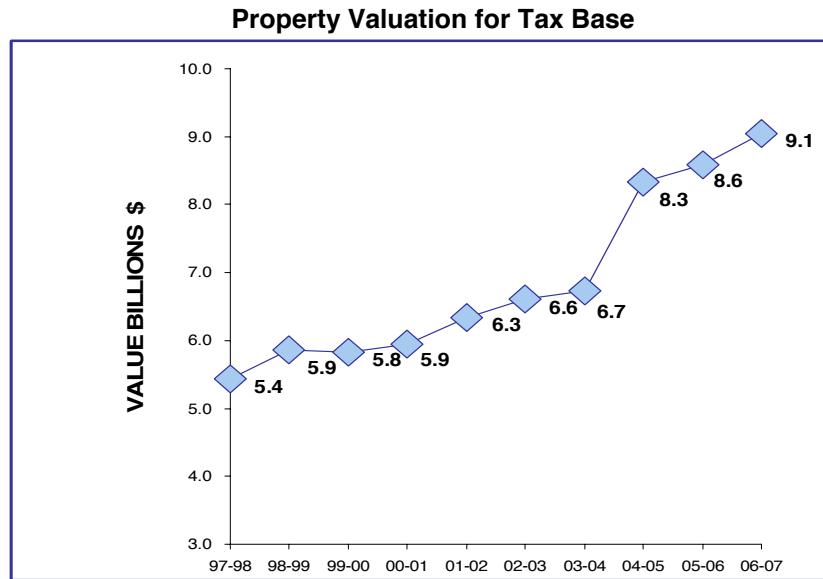
The proposed budget for the new year holds increases in expenditures within departments to a minimal level, with most being "uncontrollables" such as salary costs, utilities, higher fuel costs, etc.

**REVENUE ASSUMPTIONS**

**Ad Valorem Taxes** – The County's base property valuation is estimated to be \$9.05 billion, reflecting a growth in the base of about 5.36% over the prior year. Pitt County continues to have steady growth in its property valuation. For this reason, Pitt County Commissioners voted in 2004 to conduct property revaluation every four years rather than waiting the maximum eight years. This will place the next

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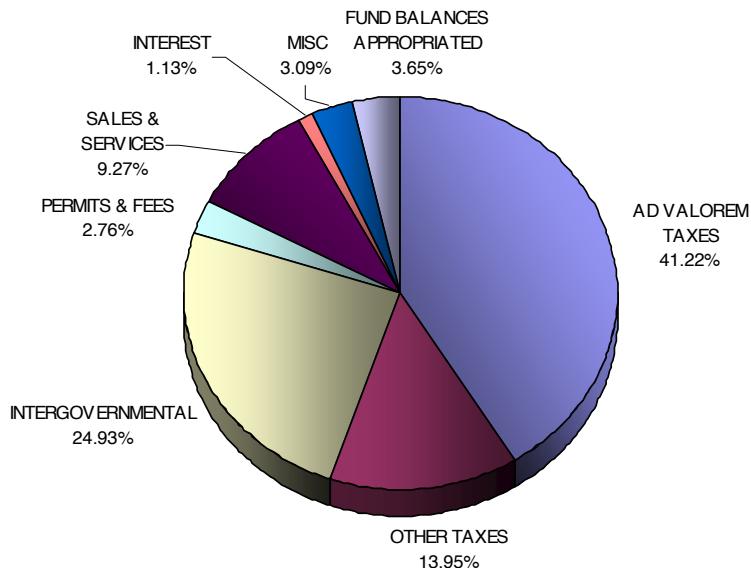
revaluation effective January 1, 2008. The following chart demonstrates the continuous growth in the valuation of the tax base of Pitt County over the past 10 years, and the obvious spike created January 2004 upon revaluation at the end of the eight year cycle.



The Industrial Development Fund is allocated 1½ cents from Pitt County's 70 cents tax levy. The Industrial Development Fund is used to support economic and industrial development activities throughout the County.

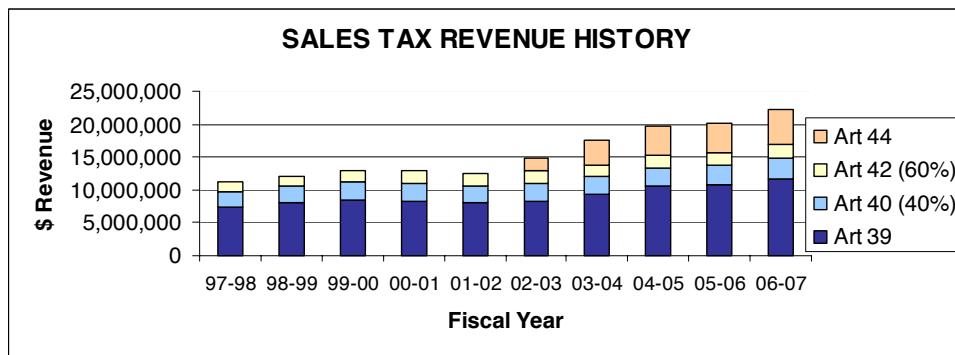
As presented in the pie-chart at the right, over 40 percent of Pitt County's budgeted revenue is derived from local ad valorem property taxes. Federal and State "Intergovernmental" revenue represents the second largest category, and taxes other than ad valorem is the third largest source of revenue.

**Sales Taxes** – Pitt County's total sales tax rate is 7 percent—4.5 percent of which is retained by the State and 2.5 percent is returned to the County. Sales taxes for use by the County include Article 40 and 42 taxes that are distributed per capita, Article 39 distributed on a point of sale basis, and Article 44 which is distributed half on per capita and half on point of sale. The 10-year sales tax revenue history chart on the next page shows the slight decline in sales tax revenue experienced by Pitt County immediately after Hurricane Floyd and the major flood that followed in 1999, and then again after the World Trade Center bombing of September 11, 2001. Since that time, there has been a steady rebound and increase in sales tax revenue, and this trend is expected to continue over the next several



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years. The first full year of the Article 44 optional sales tax is reflected in FY 03-04. Pitt County is seeking legislative authority to enact an additional 1/2% local option sales tax for the dedicated purpose of funding the capital needs of the public education system. If this initiative is approved in the short session of the General Assembly, a referendum will be held as soon as feasible to gain citizen approval to implement this new sales tax.



**Fees** – Fees have been reviewed and are proposed for adjustment in several areas of County operation. In the self-sustaining Solid Waste & Recycling Enterprise Fund, the residential waste fee will be raised by \$2 per household to \$68 per year. This fee is included on the citizen's property tax notice. Necessary improvements to the transfer station and replacement equipment create the need for this fee increase.

In the area of Zoning Administration of the Planning Department, several fees have been added or increased in order to more accurately recoup the cost of services being rendered for a permit or application. An in-depth survey of other North Carolina cities and counties was conducted to validate this proposal.

Minor changes in other fees include oversize photocopies, and criminal or driver history records.

**Fire Taxes** – One fire district has requested an increase to their tax rate for their service area as indicated below. The remaining 19 districts requested to keep current rates. All fire districts were established by vote of the citizens of that area.

| <u>Fire District</u> | <u>Current Rate</u> | <u>Proposed Rate</u> |
|----------------------|---------------------|----------------------|
| Grimesland           | .0400               | .0450                |

**Emergency Medical Service (EMS) District Tax** – The EMS District has been in place for four years. The Board of Commissioners is currently entertaining proposals for operation of EMS services. The EMS Advisory Commission elected to hold-the-line on squad budgets this year. The existing 4 cents tax rate for the District will remain in effect with a General Fund appropriation of \$757,267 to offset the deficit between revenues and expenditures. A concerted effort to collect a higher percentage of EMS Transport fees for the district has been made through the implementation of in-house collections. However, the Board of Commissioners elected not to employ aggressive collections of unpaid accounts.

**Interest Earnings** – All government funds are internally managed and invested by the County's Financial Services Department which is governed by North Carolina General Statutes on the types of investments that can be made. For this coming year, Pitt County expects to earn approximately \$1.8 million on an average investment of \$40 million. This earning equals approximately 2.25 cents that isn't placed on taxpayers.

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**Fund Balance** – Approximately \$4.56 million in Fund Balance is appropriated to balance the FY 06-07 budget within the General Fund. Amounts budgeted below about \$3.5 million are typically not expended due to over-collection of revenue and under-expenditure of operating budgets. As of June 30, 2006, it is projected that Fund Balance will be approximately 19.43%. According to the North Carolina State Treasurer, counties such as Pitt with populations of 100,000 or more held an average fund balance of 17.91% of expenditures at June 30, 2005.

## EXPENDITURE HIGHLIGHTS

The County's expenditures are divided across several major service areas that are shown on the chart below. Human services—such as Public Health, Mental Health and Social Services—account for the largest portion, with education funding, to Pitt County Schools and Pitt Community College, in third place, slightly below general government which includes debt payments and funding for several capital items this year.

The total County budget is projected to decrease from the current year revised budget by 3.24%, with the General Fund, which is the controlling fund, increasing by 3.00%.

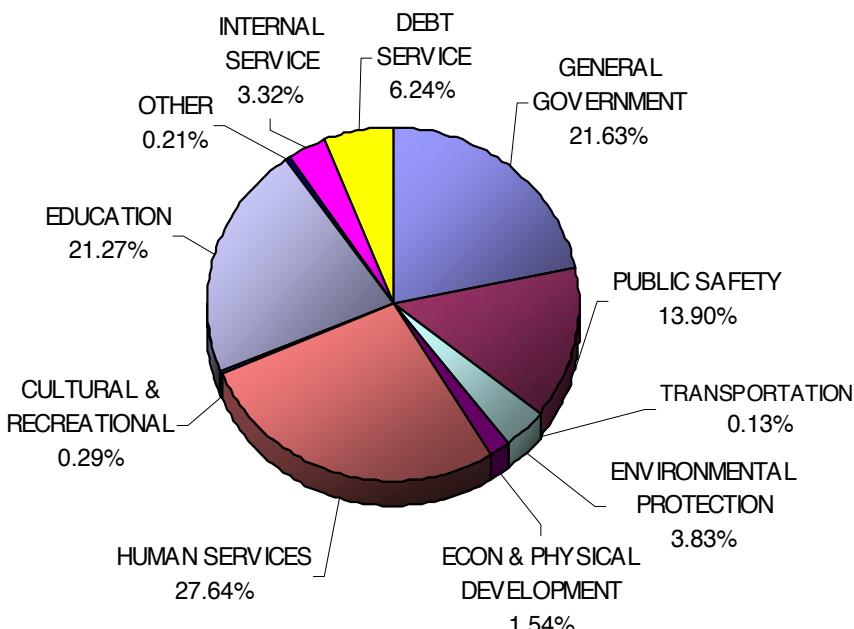
Noteworthy changes to expenditures include:

### General Government –

Operational improvements involving technology upgrades above and beyond normal computer replacement are being implemented in several departments. The Register of Deeds will use \$150,000 of restricted Records Preservation funds to have a considerable number of old real estate documents converted to digital media. The Sheriff's communications center phone system will be replaced and the 911 Communication's radio consoles will be upgraded. Software program design is budgeted for the Permitting Center to improve the overall permitting process.

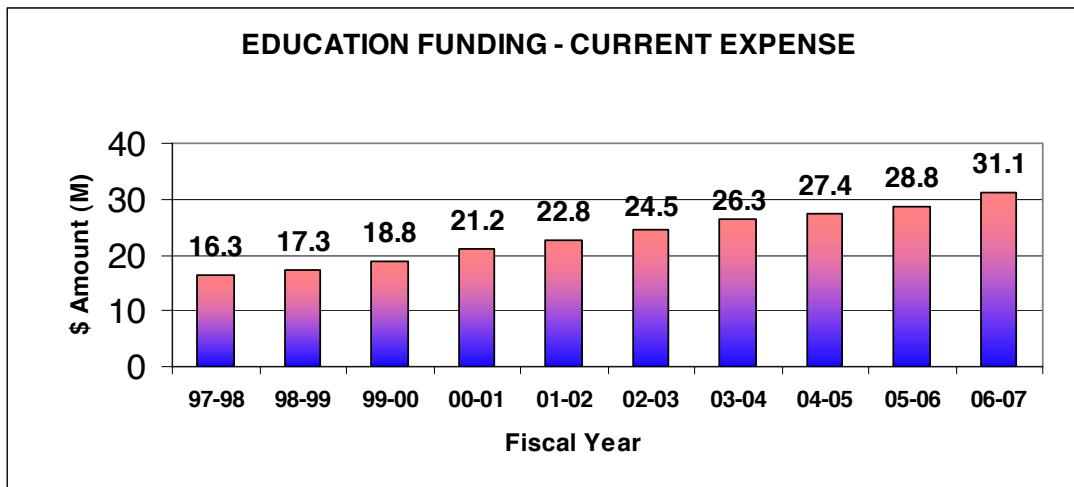
Now in its third year, the nonprofit funding application process has been successful in allocating approximately \$100,000 to various agencies. Sustaining funds are provided to the County's libraries, various museums, civic centers, recreational grants, and the like. A competitive application process, evaluated by a staff committee and then by the Manager, offers any nonprofit the opportunity to apply for a start-up or one-time grant—with a minimum-maximum range of \$500-\$7,500. The timeframe for accepting applications has been changed this year to start after the County's budget process has been completed. The budget includes \$30,000 for award to agencies in the competitive process. Once funding is awarded, each agency will enter into an agreement stipulating the conditions and purpose of the grant, providing accountability for the County's funds.

**Education** – Pitt County is providing a 7.40% increase in funding to the Board of Education over the current year. The total appropriation is \$31,890,965, with \$31.1 million in current expense. This allocation



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provides consideration for new students; opening costs for Hope Middle School; increased fuel, utilities, and other uncontrollable costs. The Board annually appropriates \$750,000 for pay-as-you-go Category I, II, and III capital needs and an additional 10% (~\$528,664) over the required 30% of Article 40 Sales Tax to fund regular school capital projects or debt service. A facility fee of \$340,000 is included in the current expense appropriation for rent, utilities, janitorial and building maintenance provided by the County for the school system's administrative offices. By charging the Board of Education (and the County providing the additional funding to cover the cost), the County receives the appropriate PPE (Per Pupil Expenditure) credit with the Department of Public Instruction for its full contribution to the school system. The chart below shows the Board of Commissioners' dedication to increasing current expense funding over the past 10 years. Education continues to be the County's top priority.



**Human Services** - In the Department of Social Services, Medicaid costs continue to rise, representing over \$8.99 million of this budget. We continue to petition our legislators to relieve counties of their share of Medicaid costs which could provide substantial relief if enacted. Several proposals are being considered by the General Assembly. North Carolina is the only state that requires local governments to participate in funding Medicaid costs. The Social Services' overall budget increased by 4.42% as compared to the current year revised budget. Three new positions for the department have been authorized, all of which have outside funding support.

The Health Department's budget reflects an overall increase of just 0.42%. A total of 5.50 new positions have been authorized. Two of these positions are Environmental Health Specialists dedicated to the on-site wastewater inspection program. Bioterrorism initiatives continue to be a major project for the Public Health Department. These activities are funded wholly by State and Federal sources.

Pitt County's Mental Health program continues to be in transition after converting from direct service provision to a Local Management Entity (LME). State mandates and funding reductions are dictating that Pitt County look to regionalization to continue the oversight of providing Mental Health services to our citizens. Pitt County has met with the Roanoke-Chowan and Neuse Centers about the possibility of merging the three agencies. The Board of Commissioners adopted a resolution on May 18 supporting this proposed consolidation effective July 1, 2007. Under such a merger, the eight counties of Pitt, Bertie, Gates, Hertford, Northampton, Craven, Jones, and Pamlico would be serviced by a regional LME.

As a result of these changes, Mental Health's operational budget has decreased by 44.19% for FY 06-07 and over 25 positions are being eliminated for a total FTE count of 21.25 positions. The General Fund appropriation for Mental Health remains the same as previous years at just over \$1.59 million. Mental

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Health will be billed \$800,000 as partial recovery of the over \$1 million of in-kind contributions that the County provides on an annual basis.

**Public Safety** – Five new positions in the Sheriff's budget will help meet some of the staffing needs for the Sheriff and Detention Center. A phased approach to outfitting officers with stun guns is underway with funding for an additional ten guns this year. Regular replacement of approximately 15 vehicles per year maintains the Sheriff's fleet in good operational order. A \$20 million expansion to the Detention Center was approved by the Board of Commissioners in 2006 with the design phase to be completed in 2006-2007.

The Emergency Medical Service District (all of Pitt County with the exception of the City of Greenville) has been operational for four years. This budget continues the four cents EMS District tax rate and provides a supplement from the County's General Fund of \$757,267. The EMS District should be a self-sufficient operation supported wholly by its tax and transport revenues. However, it would require an additional two cents tax increase to the district to supplant the General Fund contribution. The Board of Commissioners is currently reviewing alternatives for the more efficient provision of this service and plans to make a decision this year on operational structure.

The Fire Tax Districts continue to operate with individual tax rates and a general contribution of \$10,000 each from the County, as well as a per call supplement and \$10,000 requested contribution for truck purchases. The General Fund also supports the districts with approximately \$300,000 per year in insurance and maintenance costs directly related to the fire departments.

**Personnel** – A cost of living wage adjustment for employees is being implemented in two parts, as a method of cost savings, to achieve the increase necessary to keep our pay scale on par with like governmental jurisdictions. The January Consumer Price Index (CPI), which is normally used to gauge the County's cost of living, was at 4%. An increase implemented 2% in July and 2% in January will result in a cost of approximately 3.02% of the County's wages this fiscal year.

In our self-insured medical fund, a \$10 per month premium has been implemented for all employees for the individual's coverage. Formerly, the County paid the entire amount for the employee's coverage. No changes are proposed for optional coverage for parent/child or family policies. Pitt County elected to withdraw from the North Carolina Association of County Commissioners Group Benefits Pool for medical coverage based on the pool's decision to switch from Blue Cross Blue Shield to CIGNA Health Care, Inc. After thorough review of both programs, the County elected to continue an independent relationship with Blue Cross Blue Shield.

Year One of a three-year review of position classifications was completed with the review of clerical, administrative and paraprofessional positions which involved 31 job classes and about 75 employees. Implementation of the recommendations from this study resulting in changes to 9 position classifications affecting 19 employees is budgeted for July 1. For 2006-07, technical and law enforcement positions will be reviewed which will impact about 80 job classes and 375 employees. Additional funding of \$250,000 has been budgeted to expedite implementation of recommendations for law enforcement personnel as a result of the Sheriff's presentation on salary disparity among local law enforcement agencies. In the third year, management and professional staff will be reviewed, with implementation the following year. The process will then repeat. The classification review looks at parity with like positions, both internally and externally.

Of the 33 new positions requested by departments this year, I am recommending 16.00 full time equivalents (FTEs), with 5.00 being public safety related and 8.50 in human services departments.

## **CAPITAL IMPROVEMENT PLAN**

*NOTE: This budget message is as presented by the County Manager prior to adoption of the budget. Changes made by the Board of Commissioners upon final adoption are not reflected within this letter.*

An updated Five-Year Capital Improvement Plan is presented as part of the annual budget process. Continuation funding is included for minimal recurring capital outlay, MIS projects, Pitt County Schools and Pitt Community College current annual projects and economic development (water, sewer, and gas) projects. Newly funded is \$200,000 for a roll-off truck and paving/repairs to the transfer station of Solid Waste which is paid for from the self-supporting Enterprise Fund. Also included is a radio console upgrade for 911 Communications and the initial architectural/engineering costs for the Detention Center Bed Expansion project. The balance of \$83,000 on the County's match of \$250,000 for the Community Schools & Recreation park is also budgeted. Certificates of Participation will be issued for \$27 million for a new elementary school and five renovation/expansion projects.

Identified in unmet needs and currently unfunded are requests for other Board of Education construction projects (balance of "immediate" and "short term" needs). Pitt Community College requested \$1.1 million of the Fulford Building renovation project which is currently unfunded as well as approximately \$70 million of their identified long-range plan needs. Other new projects are forecast into future years.

## **OUTLOOK**

Our County continues to grow and serve as the hub of activity in eastern North Carolina. Continuous growth increases the demand for services provided by the County in all areas, especially human services, public safety, and education. General governmental operations continue to be restricted in needed expansions due to the demands in these major service areas. As we construct new schools and add on to the Detention Center, operational expenses will increase and continue on an annual basis thereafter. Typically, growth in the tax base can cover normal budgetary increases related to salaries, rising prices, etc. However, the property tax growth will not be able to fund these operational expansions related to new facilities. We are hopeful, when the new North Carolina lottery proceeds become available to counties and the ½% local option sales tax is authorized, both of which are dedicated for school construction, that we will be able to step up construction of the new schools that are on the unmet capital needs list. This construction will, however, exacerbate the need for additional operational funding. This will require additional revenue resources.

## **CONCLUSION**

As we bring to a close yet another budget development process, it has been a pleasure for me to work with the Board of Commissioners to allocate the public resources in accomplishing the County's goals. Also, serving with the professionals that make up the entire County organization as we strive to provide the level of education, health, welfare and safety as needed and desired by our citizens, is a privilege. I appreciate the commitment of our staff to the citizens and the County's business. I'd like to acknowledge the assistance from all Pitt County department heads and their capable staffs in preparation of their departmental budgets. Special thanks are extended to Melonie Bryan, Deputy County Manager - Financial Services, and Loretta Lee, Budget Administrator, for their dedication in developing, balancing and compiling the budget document and presentation material.

Respectfully submitted,

D. Scott Elliott  
County Manager

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## ***BUDGET ORDINANCE***

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### **COUNTY OF PITT, NORTH CAROLINA**

#### **BUDGET ORDINANCE**

**Fiscal Year 2006-07**

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

**SECTION I. The following amounts are hereby appropriated for the operation and maintenance of the County's various governmental departments, for the payment of debt service obligations, and for capital outlay purchases**

**during the Fiscal Year beginning July 1, 2006 and ending June 30, 2007:**

#### **GENERAL FUND**

|   |               |
|---|---------------|
| Governing Board, County Manager, Legal, Public Information                      | \$1,703,448   |
| Finance, Tax Assessor, Tax Collector, Elections                                 | 3,253,236     |
| Register of Deeds   | 882,981       |
| Human Resources, Veteran Services   | 591,212       |
| Mgmt Information Sys, Geographic Information Sys, Imaging Services/Mail Room    | 2,267,109     |
| Buildings & Grounds, Housekeeping   | 2,662,586     |
| Sheriff, School Security, Detention, Jail Inmate Services, Jail Health Services | 18,551,812    |
| Emergency Management  | 691,089       |
| Communications  | 1,001,852     |
| Medical Examiner  | 88,500        |
| Other - Environmental Protection, Economic Development, Public Safety,          | 1,210,679     |
| Human Services, Cultural/Recreation, Transportation                             | --            |
| Planning, Permitting Center   | 945,142       |
| Engineering, Inspections, Animal & Mosquito Control                             | 1,000,640     |
| Cooperative Extension, Farmers' Market  | 363,220       |
| Soil & Water Conservation   | 223,778       |
| Pitt County Schools   | 31,390,965    |
| Pitt Community College  | 3,603,000     |
| Transfers to Other Funds  | 28,238,442    |
| Non-Departmental, Contingency   | 3,164,267     |
| <br>TOTAL   |               |
|   | \$101,833,958 |

#### **LAW ENFORCEMENT OFFICERS' PENSION FUND**

|                                |          |
|--------------------------------|----------|
| LEO Pension Operating Expenses | \$85,000 |
|--------------------------------|----------|

#### **HEALTH FUND**

|                             |             |
|-----------------------------|-------------|
| Administration              | \$2,010,804 |
| Environmental Health        | 1,072,121   |
| Communicable Disease        | 1,313,846   |
| Adult Health Promotion      | 334,704     |
| Women's & Children's Health | 3,622,625   |
| <br>TOTAL                   |             |
|                             | \$8,354,100 |

#### **SOCIAL SERVICES FUND**

|                     |             |
|---------------------|-------------|
| Administration      | \$2,187,374 |
| Services & Programs | 16,841,834  |

## ***BUDGET ORDINANCE***

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|                   |                     |
|-------------------|---------------------|
| Public Assistance | 13,276,445          |
| Child Support     | <u>1,990,366</u>    |
| <b>TOTAL</b>      | <b>\$34,296,019</b> |

### **COURT FACILITIES FUND**

|                                   |           |
|-----------------------------------|-----------|
| Court Facility Operating Expenses | \$448,902 |
|-----------------------------------|-----------|

### **MENTAL HEALTH FUND**

|                     |                     |
|---------------------|---------------------|
| Local Management    | 4,782,485           |
| MH/DD/SA Services   | 180,893             |
| Contracted Services | <u>7,463,548</u>    |
| <b>TOTAL</b>        | <b>\$12,426,926</b> |

### **SCHOOL CAPITAL RESERVE FUND**

|                                   |             |
|-----------------------------------|-------------|
| School Reserve Operating Expenses | \$6,360,009 |
|-----------------------------------|-------------|

### **COUNTY CAPITAL RESERVE FUND**

|               |           |
|---------------|-----------|
| Fund Transfer | \$300,000 |
|---------------|-----------|

### **STATE GRANTS FUND**

|                                      |                    |
|--------------------------------------|--------------------|
| Elderly Handicapped Grant            | \$52,849           |
| CJPP Grant                           | 127,242            |
| HCCBG Grant                          | 461,270            |
| JCPC Building Hope Grant             | 20,000             |
| JCPC Methodist Home Grant            | 49,000             |
| JCPC Alternative Education Grant     | 56,080             |
| JCPC Juvenile Restitution Grant      | 78,000             |
| JCPC Resolve & Mediation Grant       | 70,000             |
| JCPC Juvenile Crime Prevention Grant | 8,000              |
| JCPC Teen Court Grant                | 54,369             |
| Soil & Water Watershed Grant         | <u>46,432</u>      |
| <b>TOTAL</b>                         | <b>\$1,023,242</b> |

### **PITT AREA TRANSIT SYSTEM FUND**

|                   |           |
|-------------------|-----------|
| Pitt Area Transit | \$242,552 |
|-------------------|-----------|

### **REVALUATION FUND**

|                                |           |
|--------------------------------|-----------|
| Revaluation Operating Expenses | \$275,000 |
|--------------------------------|-----------|

### **INDUSTRIAL DEVELOPMENT COMMISSION FUND**

|   |                    |
|---|--------------------|
| Industrial Development Operating Expenses | \$1,251,217        |
| ECTC Rental Operation                     | <u>181,238</u>     |
| <b>TOTAL</b>                              | <b>\$1,432,455</b> |

### **FIRE DISTRICTS FUND**

| <b>Fire Districts</b> | <b>Levy</b>   |
|-----------------------|---------------|
| Ayden                 | \$63,030      |
| Bell Arthur           | 73,058        |
| Black Jack            | <u>29,796</u> |

## ***BUDGET ORDINANCE***

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|               |                    |
|---------------|--------------------|
| Clarks Neck   | 23,398             |
| Eastern Pines | 177,153            |
| Falkland      | 73,344             |
| Farmville     | 31,630             |
| Fountain      | 17,190             |
| Gardnerville  | 47,989             |
| Grifton       | 54,803             |
| Grimesland    | 31,802             |
| Pactolus      | 41,805             |
| Red Oak       | 91,585             |
| Sharp Point   | 2,235              |
| Simpson       | 102,663            |
| Staton House  | 133,032            |
| Stokes        | 31,515             |
| Winterville   | 84,756             |
| <b>TOTAL</b>  | <b>\$1,110,784</b> |

### **EMS DISTRICT FUND**

|                               |             |
|-------------------------------|-------------|
| Pitt County (less Greenville) | \$3,642,607 |
|-------------------------------|-------------|

### **E-911 SURCHARGE FUND**

|  |                  |
|--|------------------|
| Communications, Planning, Other Projects, Sheriffs Communication | \$498,105        |
| Wireless Communication   | 153,721          |
| <b>TOTAL</b>   | <b>\$651,826</b> |

### **DEBT SERVICE FUND**

|                                |              |
|--------------------------------|--------------|
| Principal and Interest on Debt | \$12,491,619 |
|--------------------------------|--------------|

### **SCHOOL CAPITAL PROJECT FUND**

|                         |           |
|-------------------------|-----------|
| Capital Outlay Expenses | \$725,000 |
|-------------------------|-----------|

### **SOLID WASTE & RECYCLING FUND**

|                                |             |
|--------------------------------|-------------|
| Solid Waste Operating Expenses | \$7,447,866 |
|--------------------------------|-------------|

### **GARAGE FUND**

|                           |           |
|---------------------------|-----------|
| Garage Operating Expenses | \$509,526 |
|---------------------------|-----------|

### **EMPLOYEE MEDICAL INSURANCE FUND**

|                         |             |
|-------------------------|-------------|
| Administration Expenses | \$5,637,216 |
|-------------------------|-------------|

### **WORKERS' COMPENSATION FUND**

|  |           |
|--|-----------|
| Workers' Compensation Operating Expenses | \$500,000 |
|--|-----------|

|   |                      |
|---|----------------------|
| <b>GRAND TOTAL - ALL FUNDS - EXPENDITURES</b> | <b>\$199,794,607</b> |
|---|----------------------|

## ***BUDGET ORDINANCE***

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**SECTION II. It is hereby estimated that the following revenues will be available during Fiscal Year 2006-07 to meet the foregoing appropriations:**

### **GENERAL FUND**

|                                    |                   |
|------------------------------------|-------------------|
| Ad Valorem Taxes                   | \$61,559,887      |
| Other Taxes                        | 22,268,839        |
| Restricted & Unrestricted Revenues | 759,150           |
| Permits & Fees                     | 2,588,023         |
| Sales & Services                   | 4,458,744         |
| Investment Earnings                | 1,800,000         |
| Miscellaneous Revenues             | 2,801,352         |
| Debt & Non Revenue Receipts        | 1,475,000         |
| Fund Balance Appropriated          | <u>4,122,963</u>  |
| <br>TOTAL                          | <br>\$101,833,958 |

### **LAW ENFORCEMENT OFFICERS' PENSION FUND**

|                            |          |
|----------------------------|----------|
| Transfer from General Fund | \$85,000 |
|----------------------------|----------|

## ***BUDGET ORDINANCE***

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### **HEALTH FUND**

|                                    |                  |
|------------------------------------|------------------|
| Restricted & Unrestricted Revenues | \$4,382,357      |
| Fund Balance Appropriated          | 843,239          |
| Transfer from General Fund         | <u>3,128,504</u> |
| <br>TOTAL                          | \$8,354,100      |

### **SOCIAL SERVICES FUND**

|                                    |                   |
|------------------------------------|-------------------|
| Restricted & Unrestricted Revenues | \$18,752,024      |
| Transfer from General Fund         | <u>15,543,995</u> |
| <br>TOTAL                          | \$34,296,019      |

### **COURT FACILITIES FUND**

|                     |               |
|---------------------|---------------|
| Facilities Fees     | \$349,000     |
| Investment Earnings | 2,102         |
| Fund Balance        | <u>97,800</u> |
| <br>TOTAL           | \$448,902     |

### **MENTAL HEALTH FUND**

|                                    |                  |
|------------------------------------|------------------|
| Restricted & Unrestricted Revenues | \$10,832,338     |
| Transfer from General Fund         | <u>1,594,588</u> |
| <br>TOTAL                          | \$12,426,926     |

### **SCHOOL CAPITAL RESERVE FUND**

|  |                  |
|--|------------------|
| Local Option Sales Tax                     | \$4,898,009      |
| State Public School Building Capital Funds | <u>1,462,000</u> |
| <br>TOTAL                                  | \$6,360,009      |

### **COUNTY CAPITAL RESERVE FUND**

|              |           |
|--------------|-----------|
| Fund Balance | \$300,000 |
|--------------|-----------|

### **STATE GRANT FUNDS**

|                                      |               |
|--------------------------------------|---------------|
| Elderly Handicapped Grant            | \$52,849      |
| CJPP Grant                           | 127,242       |
| HCCBG Grant                          | 461,270       |
| JCPC Building Hope Grant             | 20,000        |
| JCPC Methodist Home Grant            | 49,000        |
| JCPC Alternative Education Grant     | 56,080        |
| JCPC Juvenile Restitution Grant      | 78,000        |
| JCPC Resolve & Mediation Grant       | 70,000        |
| JCPC Juvenile Crime Prevention Grant | 8,000         |
| JCPC Teen Court Grant                | 54,369        |
| Soil & Water Watershed Grant         | <u>46,432</u> |

## ***BUDGET ORDINANCE***

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|       |             |
|-------|-------------|
| TOTAL | \$1,023,242 |
|-------|-------------|

### **PITT AREA TRANSIT SYSTEM FUND**

|                   |           |
|-------------------|-----------|
| Pitt Area Transit | \$242,552 |
|-------------------|-----------|

## ***BUDGET ORDINANCE***

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### **REVALUATION FUND**

|                            |           |
|----------------------------|-----------|
| Transfer from General Fund | \$275,000 |
|----------------------------|-----------|

### **INDUSTRIAL DEVELOPMENT COMMISSION FUND**

|                  |                    |
|------------------|--------------------|
| Ad Valorem Taxes | \$1,292,115        |
| Rental Income    | 140,340            |
| <hr/>            |                    |
| <b>TOTAL</b>     | <b>\$1,432,455</b> |

### **FIRE DISTRICTS FUND**

|                  |             |
|------------------|-------------|
| Ad Valorem Taxes | \$1,110,784 |
|------------------|-------------|

### **EMS DISTRICT FUND**

|                            |                    |
|----------------------------|--------------------|
| Ad Valorem Taxes           | \$1,860,340        |
| Sales & Services           | 1,025,000          |
| Transfer from General Fund | 757,267            |
| <hr/>                      |                    |
| <b>TOTAL</b>               | <b>\$3,642,607</b> |

### **E-911 SURCHARGE FUND**

|                           |                  |
|---------------------------|------------------|
| 911 User Fees             | \$621,871        |
| Fund Balance Appropriated | 29,955           |
| <hr/>                     |                  |
| <b>TOTAL</b>              | <b>\$651,826</b> |

### **DEBT SERVICE FUND**

|                                      |                     |
|--------------------------------------|---------------------|
| Transfer from General Fund           | \$6,261,961         |
| Transfer from School Capital Reserve | 5,635,009           |
| Other Transfers                      | 315,518             |
| Miscellaneous                        | 279,131             |
| <hr/>                                |                     |
| <b>TOTAL</b>                         | <b>\$12,491,619</b> |

### **SCHOOL CAPITAL PROJECT FUND**

|                               |           |
|-------------------------------|-----------|
| Transfer from School Reserves | \$725,000 |
|-------------------------------|-----------|

### **SOLID WASTE & RECYCLING FUND**

|                |                    |
|----------------|--------------------|
| Fees & Charges | \$7,055,060        |
| Other Revenues | 392,806            |
| <hr/>          |                    |
| <b>TOTAL</b>   | <b>\$7,447,866</b> |

### **GARAGE FUND**

|                |           |
|----------------|-----------|
| User Charges   | \$509,226 |
| Other Revenues | 300       |
| <hr/>          |           |

## ***BUDGET ORDINANCE***

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|       |           |
|-------|-----------|
| TOTAL | \$509,526 |
|-------|-----------|

### **EMPLOYEE MEDICAL INSURANCE FUND**

|          |             |
|----------|-------------|
| Premiums | \$5,637,216 |
|----------|-------------|

## ***BUDGET ORDINANCE***

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### **WORKERS' COMPENSATION FUND**

|  |                  |
|--|------------------|
| Transfer from General Fund                 | \$485,000        |
| Transfer from Solid Waste & Recycling Fund | 15,000           |
| <br>                                       |                  |
| <b>TOTAL</b>                               | <b>\$500,000</b> |

**GRAND TOTAL - ALL FUNDS - APPROPRIATIONS** **\$199,794,607**

**SECTION III. The following tax rates, based upon collections of 95.50%, are hereby levied for the Fire and EMS Districts for Fiscal Year 2006-07:**

| <b>Fire Districts</b>       | <b>Tax Rate</b> | <b>Estimated Valuation</b> | <b>Levy</b>        |
|-----------------------------|-----------------|----------------------------|--------------------|
| Ayden                       | \$0.0375        | \$176,000,000              | \$63,030           |
| Bell Arthur                 | \$0.0500        | \$153,000,000              | \$73,058           |
| Black Jack                  | \$0.0300        | \$104,000,000              | \$29,796           |
| Clark's Neck                | \$0.0500        | \$49,000,000               | \$23,398           |
| Eastern Pines               | \$0.0350        | \$530,000,000              | \$177,153          |
| Falkland                    | \$0.0600        | \$128,000,000              | \$73,344           |
| Farmville                   | \$0.0360        | \$92,000,000               | \$31,630           |
| Fountain                    | \$0.0500        | \$36,000,000               | \$17,190           |
| Gardnerville                | \$0.0750        | \$67,000,000               | \$47,989           |
| Grifton                     | \$0.0499        | \$115,000,000              | \$54,803           |
| Grimesland                  | \$0.0450        | \$74,000,000               | \$31,802           |
| Pactolus                    | \$0.0425        | \$103,000,000              | \$41,805           |
| Red Oak                     | \$0.0700        | \$137,000,000              | \$91,585           |
| Sharp Point                 | \$0.0600        | \$3,900,000                | \$2,235            |
| Simpson                     | \$0.0500        | \$215,000,000              | \$102,663          |
| Staton House                | \$0.0175        | \$796,000,000              | \$133,032          |
| Stokes                      | \$0.0500        | \$66,000,000               | \$31,515           |
| Winterville                 | \$0.0250        | \$355,000,000              | \$84,756           |
| <br>                        |                 |                            |                    |
| <b>Total Fire Districts</b> |                 |                            | <b>\$1,110,784</b> |

### **EMS District**

|                               |          |                 |             |
|-------------------------------|----------|-----------------|-------------|
| Pitt County (less Greenville) | \$0.0400 | \$4,870,000,000 | \$1,860,340 |
|-------------------------------|----------|-----------------|-------------|

**SECTION IV.** The County Manager and/or Deputy County Manager - Financial Services are hereby authorized to transfer appropriations within a fund as contained herein under the following conditions:

- a. The Deputy County Manager - Financial Services or designee may transfer amounts between objects of within a department.
- b. The County Manager may transfer amounts less than \$20,000 between departments within a fund upon finding they are consistent with operational needs.
- c. The funding for merit (step) increases, reclassifications, and cost of living allowances may be moved from the budgeted reserve with the approval of the Deputy County Manager - Financial Services.

## ***BUDGET ORDINANCE***

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- d. No revenues may be increased, no funds may be moved from the Contingency account, and no transfers between funds may be processed unless formal action is taken by the Board of Commissioners.
- e. Upon notification of funding decreases from state, federal or grant sources, budgets may be adjusted to match with the approval of the County Manager or Deputy County Manager - Financial Services. Board of Commissioners' action will not be required unless staffing is affected.

**SECTION V.** The County Manager is hereby authorized to execute new contracts, service agreements, and change orders valued \$50,000 or less on behalf of the County and its operating departments, including the Industrial Development Commission, provided that sufficient funding is available and the action is consistent with County policy. Actions between \$30,000 and \$50,000 will be reported back to the Board. Additionally, renewal contracts already budgeted and accounted for as a part of the annual budget process may be signed regardless of the amount.

**SECTION VI.** County Commissioners are to be compensated at a rate of \$880 per month for regular service. Additionally, County Commissioners are compensated to cover mileage and expenses incurred in their service to Pitt County in the amount of \$200 per month for regular members, \$300 for the Vice Chair, and \$400 for the Chair.

**SECTION VII.** The Pitt County Commissioners authorize compensation for members of the Pitt County Board of Education once their regular meetings are televised, at an amount equal to 50 percent of the Board of Commissioners' regular service compensation.

**SECTION VIII.** Changes to Pitt County fees and charges as presented in Budget Workshops will be effective July 1, 2006 and incorporated into the Pitt County Manual of Fees.

**SECTION IX.** The Board of County Commissioners hereby levies a tax rate of sixty-eight and one-half cents (.6850) per one hundred dollars (\$100.00) of valuation on property for the County General Fund, and one and one-half cents (.0150) per one hundred dollars (\$100.00) of valuation on property listed for taxes for the Industrial Development Commission Fund, for a total levy of seventy cents (.70) per one hundred dollars (\$100.00) of valuation for current year's property tax.

The tax rate is based upon an estimated total valuation of property for the purpose of taxation at \$9,050,000,000 and an estimated collection rate of 95.50%.

**SECTION X.** The Board of County Commissioners hereby levies a per household assessment fee on solid waste disposal the amount of \$68 per household and \$42 per ton for non-residential tipping fees, and authorizes the assessment amount to be printed on the Pitt County Property Tax statement. The assessment is authorized to be collected in the same manner as property tax.

**SECTION XI.** The Board of County Commissioners hereby authorizes the Pitt County Tax Collector to collect taxes for the City of Greenville, the Towns of Falkland, Grimesland, Bethel, and the Village of Simpson in compliance with the contracts adopted by the governing boards. The County will also be collecting vehicle taxes and gross receipts taxes for the Town of Ayden, Farmville, and Grifton in compliance with G.S. 105-330 and G.S. 105-275(42). The County also collects vehicle taxes for the Towns of Fountain and Winterville in compliance with G.S. 105-330. A charge of 1-1/2% of all taxes collected for the units of government will be payable to Pitt County for said collection services.

Adopted this 6th day of June, 2006.

## ***BUDGET ORDINANCE***

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Jimmy Garris, Chairman  
Pitt County Board of Commissioners

(SEAL)

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Patricia A. Staton, Clerk  
Pitt County Board of Commissioners

## ***BUDGET PROCESS***

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Changing conditions, along with demands for increased services, have forced a re-evaluation of the roles of local governments. As public officials, we are charged with the responsibility of ensuring that all local governmental services are provided in the most efficient and effective manner possible in order to maximize available resources. The budgetary process allows for the accumulation of financial and performance information relative to these services and provides the tools necessary to analyze the merits and cost implications of each.

### ***LEGAL BUDGET REQUIREMENTS***

North Carolina counties budget and spend money under the Local Government Budget and Fiscal Control Act (LGBFCA), as adopted by the North Carolina General Assembly. The LGBFCA (G.S. 159-10-13) establishes the dates by which each stage in the annual budget process is to be completed.

#### **Budget Preparation Calendar**

- Departmental requests, other than the public schools, must be submitted to the budget officer before April 30.
- School administrative units and community colleges must submit their proposed budgets and requests for county appropriations and supplemental tax levies no later than May 15.
- The recommended budget must be given to the Board of Commissioners no later than June 1.
- The Commission must enact the budget ordinance by July 1, when the budget year begins.

#### **Budget Forms and Procedures**

The budget officer must prescribe the forms and procedures for the departments to use in preparing their requests; in the words of G.S. 159-10, requests "shall be made in such form and detail, with such supporting information and justifications, as the budget officer may prescribe." G.S. 159-10 also requires that a budget request show actual expenditures for the prior year, estimated expenditures for the current year, and requests for the proposed budget year.

#### **Departmental Requests**

G.S. 159-11 requires that the budget officer's recommended budget be balanced unless the Board of Commissioners insists that an unbalanced budget be submitted. A further requirement is that the budget must be accompanied by a budget message. G.S. 159-11(b) states what the message should include:

- A concise explanation of the governmental goals fixed by the budget for the budget year,
- Important features of the activities anticipated in the budget,
- The reasons for stated changes from the previous year in program goals, programs, and appropriation levels, and
- Any major changes in fiscal policy.

## ***BUDGET PROCESS***

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### **Board Review**

Once the budget is before the Board of Commissioners, several general legal provisions apply to Board review and adoption of the budget ordinance.

- At least ten days must pass between submission of the budget and the adoption of the budget ordinance.
- On the same day that the budget is submitted to the Board of Commissioners, the Budget Officer must file a copy of it in the office of the Clerk to the Board where it is available to the public and the press.
- The Clerk to the Board must publish a notice that the budget has been delivered to the Board of Commissioners and is available for public inspection. This advertisement must also note the time and place of the required public hearing.
- During the interval between submission and adoption, the Board may conduct its review at both regular and special meetings. At least one of these dates must be a public hearing at which any person who wishes to comment may.
- The Open Meetings Law (G.S. 143-318.9 - 318.18) applies to the budget preparation and adoption process.

### **Adoption of the Budget Ordinance**

The budget ordinance must contain the appropriations, the estimated revenues, the property tax levy and actual tax rate. As required by the Local Government Budget and Fiscal Control Act (G.S. 159, Article 3), the governing board must adopt an annual balanced budget ordinance by July 1 for all funds except those funds that operate under project ordinances. A balanced budget is one in which the sum of estimated net revenues and appropriated fund balances equals the appropriations.

## ***BUDGET PREPARATION AND ADOPTION***

From inception to adoption, the budget process encompasses the better part of a year—normally 8 to 10 months. An outline of the *Budget Calendar* is included within this section. For Pitt County, the process begins in the Fall with solicitation of capital needs for inclusion in the County's 5-year Capital Improvement Program and departmental long-term goals and objectives. The Board of Commissioners holds a series of planning sessions during the winter months to identify and set the overall goals for the County and to review the financial forecast.

Budget packages and instructions were distributed to departments in March. After departments submitted their projected budget, individual budget conferences were held with each department head and the County Manager, Budget Administrator, and appropriate Deputy County Manager(s). Revisions were made as necessary in the operating and capital budgets and in revenue estimations until a balanced budget was presented by the County Manager to the Board of Commissioners.

The Manager's preliminary balanced budget was submitted to the Board of County Commissioners in May. Afterward, several workshop sessions were held to review requests and receive input. Based on input received, the Manager finalized his proposal and presented a Proposed Budget. The Manager's *Budget Message*, included in a previous section of this document, accompanied the proposed budget and outlines the recommendations and highlights major policy changes. A public hearing was held on June 7 to assure adequate opportunity to receive additional citizen input on the budget.

## ***BUDGET PROCESS***

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Pitt County's budget was adopted on June 6, 2006, in accordance with legal requirements for final adoption prior to July 1.

The budget is prepared on the modified accrual basis of accounting as required by North Carolina General Statute 159-26(c). Appropriations lapse at year-end in the General and Special Revenue Funds for which annual budgets have been legally adopted. The budgets for Capital Project Funds are adopted on a project basis, which may cover more than one year. Appropriations are carried over in these funds until the project(s) are completed.

Budgets for General, Special Revenue, and Capital Project Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). The Board of Commissioners annually adopts a budget by ordinance approximating funds and may, during the year, authorize supplemental appropriations.

## ***BUDGET AMENDMENT PROCESS***

Amendments increasing or decreasing revenues and expenditures to the Pitt County Budget may be submitted at any time during the year. After review by staff and recommendation of the Manager, amendments increasing revenue require formal approval by the Board of Commissioners. Decreases in funding from state, federal, or grant sources may be reduced without Board approval provided that staffing levels are not affected.

Authorization for transferring appropriations within a fund are as follows:

- The Deputy County Manager–Financial Services or designee may transfer amounts between objects of expenditure within a department.
- The County Manager may transfer amounts less than \$20,000 between departments within a Fund upon finding they are consistent with operational needs.
- The funding for merit (step) increases, reclassifications, and cost of living allowances may be moved from the budgeted reserve with the approval of the Deputy County Manager–Financial Services.
- Transfers between funds and transfers from the Contingency account require approval of the Board of Commissioners.

## ***BUDGET PROCESS***

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### **PITT COUNTY FY 2006-07 BUDGET CALENDAR**

|                       |   |
|-----------------------|---|
| <b>Dec 2005</b>       | Staff update and review CIP and Financial Plan.   |
| <b>Jan 23 2006</b>    | Capital Improvement Planning Workshop   |
| <b>Feb 6</b>          | Performance Measurement Calendar Year End Report.<br>Review, update, affirm Board's Goals for FY 06-07 (regular meeting).   |
| <b>Feb</b>            | Departments formulate objectives/action plans for the budget year tied to Commissioners' goals.   |
| <b>Feb</b>            | Departments notified of opening for FY 2006-07 MUNIS budget entry access.   |
| <b>Mar 1</b>          | Forward budget packages to department heads.  |
| <b>Mar 2</b>          | Discuss budget process at regular department head meeting.  |
| <b>Mar 24</b>         | All budget requests and documentation due from departments to Financial Services Department. (Departmental access to MUNIS budget entry <b>closed</b> at 5 p.m.)    |
| <b>Mar 27 - Apr 7</b> | Budget compilation and balancing.   |
| <b>Apr 10</b>         | Budget documents to County Manager for review.  |
| <b>Apr 12-20</b>      | Departmental budget conferences with County Manager.  |
| <b>May 1</b>          | Return revised budget requests to departments for review.   |
| <b>May 2-8</b>        | Receive departmental appeals on Manager's revisions/recommendations.  |
| <b>May 15</b>         | Present overview, balanced budget (tentative) to Board of Commissioners at regular meeting. (This document will be used as a working copy during budget workshops.) |
| <b>May 16-18</b>      | Workshops with Commissioners to present and review/amend tentative budget.  |
| <b>May 19, 22-23</b>  | Open for additional workshops, if needed.   |
| <b>Mon, Jun 5</b>     | Manager's Recommended Budget and Budget Message presented to Board of Commissioners (regularly scheduled Board meeting).  |
| <b>Tue, Jun 6</b>     | Hold public hearing for citizen input at 7:00 p.m. (and possible budget adoption).  |
| <b>Jun 7-9</b>        | Available for additional workshops, if needed.  |
| <b>Jun 19</b>         | Alternative date to adopt 2006-07 Budget (regularly scheduled Board meeting).   |

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## PITT COUNTY FY 2006-07 BUDGET CALENDAR

|                       |   |
|-----------------------|---|
| <b>Dec 2005</b>       | Staff update and review CIP and Financial Plan.   |
| <b>Jan 23 2006</b>    | Capital Improvement Planning Workshop   |
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| <b>Mar 24</b>         | All budget requests and documentation due from departments to Financial Services Department. (Departmental access to MUNIS budget entry <b>closed</b> at 5 p.m.)    |
| <b>Mar 27 - Apr 7</b> | Budget compilation and balancing.   |
| <b>Apr 10</b>         | Budget documents to County Manager for review.  |
| <b>Apr 12-20</b>      | Departmental budget conferences with County Manager.  |
| <b>May 1</b>          | Return revised budget requests to departments for review.   |
| <b>May 2-8</b>        | Receive departmental appeals on Manager's revisions/recommendations.  |
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| <b>Jun 19</b>         | Alternative date to adopt 2006-07 Budget (regularly scheduled Board meeting).   |

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Adopted 12/5/05

## ***BUDGET POLICIES***

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Pitt County maintains the following goals, guidelines and policies to ensure planned and orderly direction, to ensure fiscal responsibility, maintain a strong financial position, and maintain the necessary level of resources to provide the services required of its citizens.

### ***GOALS***

The following long-range goals were developed by the Board of Commissioners in strategic planning sessions in 2004 and were reconfirmed in February 2006 for continuation in the FY 2006-07 budget year:

1. To ensure quality education;
2. To ensure community safety through enhanced emergency service programs;
3. To enrich the quality of life for Pitt County citizens through opportunities for improved health and welfare;
4. To advance economic development opportunities for Pitt County;
5. To address the facility and space needs of all county government programs—general government, public schools and community college;
6. To champion infrastructure improvements throughout the county; and
7. To support the provision of and access to recreational activities for county citizens.

### ***FINANCIAL POLICIES***

Pitt County's financial policies set forth basic guidelines for the overall fiscal management of the County. Operating independently of changing circumstances and conditions, these policies provide a framework to assist in the decision-making process for the Board of Commissioners and staff and establish guidelines for evaluating both current activities.

1. The Board of Commissioners provides general guidance through the adoption of the annual budget while the County Manager is charged with the implementation of the budget throughout the fiscal year. To this end, the Board of Commissioners has adopted a series of policies designed to give the Manager authority to, among other things, transfer funds within appropriations to meet changing operational needs, and to recommend personnel actions during the year throughout the budget as long as total authorized head-count is not exceeded.
2. The budget process places emphasis on those personnel and management issues of critical importance to the County's fiscal health: employee relations, office automation, implementation of new technologies, long-term work force planning and management incentives. In doing so, it provides for adequate levels of funding for all retirement systems and maintains the principle of avoiding layoffs to balance the budget, by planning personnel reductions to come from attrition, whenever possible.
3. Generally, expansion of existing services and programs, or the addition of a new service or program is considered in the proposed budget only when a new revenue source can support the ongoing costs or when the requesting department can identify an existing service or program which can be reduced or eliminated.
4. The County shall monitor departmental expenditures on a monthly basis to ensure conformity to adopted budgets and prepare monthly financial reports on all funds comparing actual revenues and expenditures to budgeted amounts. This report is presented to the Board of Commissioners at public session each month.
5. The County shall avoid budgetary practices or procedures that balance current period expenditures at the expense of future years' revenues and it shall be general policy to limit the use of prior year Fund Balance for operating and other on-going expenditures.
6. The budget shall provide for the satisfactory maintenance of capital facilities and equipment.

## ***BUDGET POLICIES***

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7. The operating budget shall fully describe the major goals to be achieved by department and the services and programs to be delivered based upon the levels of funding anticipated or provided. They shall also provide brief descriptions of prior year accomplishments and mission statements for each department and division.
8. The County shall finance essential County services which have a Countywide benefit in the budget from revenue sources which are generated from a broad base, (i.e. property taxes, sales taxes). Throughout the budget document these revenue sources shall be noted as "General Fund Appropriation."
9. The County shall minimize the impact on the use of property tax by seeking alternative funding sources for County services that focus on user fees for responsive services and upgrading and/or enhancement of the property tax base.
10. The County shall review user fee rate structures on a yearly basis to continually and accurately charge the cost of service provided to the benefiting user or customers serviced, while being sensitive to the needs of low-income citizens.
11. The County shall actively oppose any legislation which forces local service mandates without concurrent Federal, State or Regional funding or providing additional locally-controlled funding sources.

## ***REVENUE POLICIES***

1. The County shall make every attempt to maintain a diverse and stable revenue base to shelter it from short and long-term fluctuations in any one revenue source.
2. The County shall project its annual revenues through an analytical process using historical data, economic trends, indicators, and conservative approaches for estimating future revenues.
3. The County shall try to establish user charges and set fees for services in its funds at a level that fully supports the total direct and indirect costs of the activities. The County should review these and all other fees/charges annually and modify them as necessary.
4. The County shall follow aggressive policies to ensure the highest collection percentage for delinquent County revenues.
5. The County shall purposely prepare conservative revenue estimates to ensure that through over collection of revenues and under spending of the budgeted expenditures, no appropriated fund balance will be needed to meet current expenses. Fund balance reliance should be reduced each year in order to improve the County's fiscal position.

## ***RESERVE POLICIES***

1. The County shall, as per Local Government Commission guidelines, maintain a minimum undesignated General Fund Balance of 8.33% or an amount equal to at least one month of General Fund operations. However, it is the County's goal to exceed this minimum and keep undesignated fund balance in the 20% range.
2. The County shall respect the integrity of fund balance and use it as sparingly as possible when funding future budgets.

## ***ACCOUNTING, AUDITING AND FINANCIAL REPORTING POLICIES***

1. An independent audit shall be performed annually.
2. The County shall produce a comprehensive annual financial report in accordance with Generally Accepted Accounting Practices (GAAP) as outlined by Governmental Auditing, Accounting and Financial Reporting (GAAFR).

## ***BUDGET POLICIES***

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3. The County shall maintain accounting control systems to ensure the safety of all assets held in the public trust and staff shall perform periodic unscheduled audits of all County departments that handle cash and negotiable instruments in the course of daily activities.

## ***INVESTMENT POLICIES***

1. The County shall make a cash-flow analysis of all funds on a regular basis. Disbursement, collection and deposit of all funds will be scheduled such that investment capabilities are maximized and follow the guidelines set forth under North Carolina General Statutes.
2. The County shall invest funds by using a flexible investment strategy to secure high returns of income on cash flow that are in excess of current needs and, when permitted by law, will pool cash from several different funds to maximize its potential earnings. Investments will be structured according to the County's overall financial condition in anticipation of financial opportunities and obligations.
3. The County's accounting system will provide regular information concerning cash position and investment performance and will allow earnings to be reflected monthly on financial reports.

## ***DEBT POLICIES***

1. The County shall confine long-term borrowing to capital improvements or projects that cannot be financed from current revenues; and where the issuance of long-term debt is required, it will repay the bonds within a period not to exceed the expected useful life of the project.
2. The County shall attempt to keep average maturity of general obligation bonds at or below 20 years.
3. The County shall not incur long-term debt to support current operations.
4. The County shall maintain a sound relationship with all bond rating agencies and will keep them informed about current projects and other important fiscal events.

## ***CAPITAL IMPROVEMENT BUDGET POLICIES***

1. Capital projects include the acquisition or construction of long-term assets, normally costing greater than \$50,000 and with a life in excess of 10 years.
2. The County shall maintain the fiscal integrity of the County's operating, debt service and capital improvement budgets in order to provide services and construct and maintain public facilities.
3. The County shall make all capital improvements in accordance with an adopted capital acquisition program.
4. The County shall develop a five-year plan for capital improvements, with proposed funding sources identified for each project. The plan should be updated and extended annually.
5. The County shall coordinate decision making for the capital improvement budget with the operating budget to make effective use of the County's limited resources for operating and maintaining existing services and facilities as well as planning for future needs.
6. The County shall attempt to maintain all its assets at a level adequate to protect the County's capital investment, to minimize future maintenance and replacement costs, and to maximize operating efficiency.
7. The County shall maintain a responsible and prudent fiscal condition to minimize long-term interest expense when financing capital improvements.

## **BUDGETARY ACCOUNTING SYSTEM & CONTROL**

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All County funds are budgeted for on a modified accrual basis in accordance with North Carolina General Statutes. Under the modified accrual basis, revenues are recognized in the accounting period in which they become measurable and available to pay liabilities of the current period. Expenditures are recognized in the accounting period in which a liability is incurred, if measurable, except for unmatured principal and interest on long-term debt that is recognized when due.

The entity wide financial statements will be reported on a full accrual basis separated by funds with governmental activities and business-type activities, in accordance with the Governmental Accounting Standards Board Statement No. 34. Under full accrual, revenues are recorded when earned and expenses are recorded when incurred. All governmental funds will be reported in the fund financial statements on a modified accrual basis. All proprietary funds will be reported in the fund financial statements on a full accrual basis.

### **FUND ACCOUNTING**

Governmental accounting systems should be organized and operated on the basis of fund with account groups. A fund is defined as a fiscal accounting entity with a self-balancing set of accounts recording cash and other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The County operates its various funds under three broad categories with six fund types. Two account groups are not funds but are used to establish accountability over the County's fixed assets and general long-term debt. The following fund types are included in the Annual Operating Budget:

#### **GOVERNMENTAL FUNDS**

**General Fund** The General Fund is the principal fund used to account for the provisions of governmental services. The fund summarizes the financial transactions of functional services, based on departmental operations, except for those transactions that must be accounted for separately in other funds.

**Special Revenue Funds** Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trust or major capital projects) that are legally restricted to expenditures for special purposes. There are 10 Special Revenue Funds: School Capital Reserve Fund, State & Federal Asset Forfeiture Fund; Community Development Block Grant Fund, State Grants Fund, Revaluation Fund, Industrial Development Fund, Industrial Development Building Fund, Fire Districts Fund, EMS District Fund, and E911 Surcharge Fund.

**Debt Service Funds** The Debt Service Funds account for expenditures for principal and interest for all general long-term debt account group debt payments. Other governmental fund types provide the resources to the Debt Service Fund to make the payments through operating transfers.

**Capital Project Funds** Capital Project Funds are used to account for financial resources to be used for acquisition of major capital facilities. The County maintains separately for account and budgeting purposes the following Capital Project Funds: Pitt Community College Bond Funds, Pitt Community College Bond Match Projects Fund, 2004 COPS Education Projects Fund, Community Schools & Recreation Building Fund, ECTC Building Fund and School Improvement Projects Fund.

## **BUDGETARY ACCOUNTING SYSTEM & CONTROL**

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### **PROPRIETARY FUNDS**

**Enterprise Funds** An enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the public on a continuing basis be financed or recovered primarily through user charges or where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. Pitt County has one enterprise fund—the Solid Waste & Recycling Fund.

**Internal Service Funds** Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit or to other governmental units on a cost-replacement basis. Pitt County has three internal service funds: Employee Medical Insurance Fund, Worker's Compensation Fund, and County Garage Fund.

### **FIDUCIARY FUNDS**

**Trust and Agency Funds** Agency funds account for assets held by the County in a trustee capacity or as an agent; are custodial in nature; and do not involve measurement of results of operations. Pitt County has five agency funds (trust funds): Deferred Compensation; Social Services, Sheriff and Mental Health Trust Funds; Tax Collections Held for Municipalities; Flexible Benefit Plans; and Law Enforcement Officers Pension Fund.

### **ACCOUNT GROUPS**

**General Fixed Assets Account Group** This group of accounts is established to account for all fixed assets for the County, other than those accounted for in the Proprietary Funds. General fixed assets acquired are recorded as expenditures in the various funds at the time of purchase.

**General Long-Term Debt Account Group** This group of accounts is established to account for all long-term obligations of the County, other than those accounted for in the Proprietary Funds.

### **FUND BALANCES**

Pitt County uses five operating fund types: general fund, special revenue, capital projects, enterprise and internal service funds. Each type of fund maintains its own fund balance. Fund balance represents moneys that remain unspent after all budgeted expenditures have been made. These unspent moneys serve as working capital reserve and are available for appropriation or may be retained for capital projects or for emergencies.

The Local Government Commission (LGC), an office of the North Carolina State Treasurer's Office, recommends that counties maintain a minimum unreserved fund balance of eight percent (8%) in the General Fund. On average, counties of similar size to Pitt County (population > 100,000) maintain a fund balance of approximately 17 percent. At the end of Fiscal Year 2005-06, Pitt County's General Fund had an estimated fund balance of \$33.04 million, of which \$23.2 million was unreserved. Pitt County's fund balance as a percentage of expenditures at June 30, 2006 was 16.86 percent. The County monitors closely its fund balance position, as it plays a pivotal role in maintaining a strong financial position and meeting the needs of a growing county.

## **BUDGETARY ACCOUNTING SYSTEM & CONTROL**

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### **DEPOSITS AND INVESTMENTS**

#### **DEPOSITS**

All deposits of the County are made in Board designated official depositories and collateralized as required by General Statute 159-31. The County may designate as an official depository any bank or savings and loan association whose principal office is located in North Carolina. Also, the County may establish time deposit accounts, money market accounts, and certificates of deposits.

All of the County's deposits are either insured or collateralized by using one of two options. Under Option 1, all deposits over the Federal depository insurance coverage are collateralized with securities held by the County's agent in the County's name. Under Option 2, a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County, these deposits are considered to be held by the County's agent in the County's name. The amount of the pledged collateral is based on an approved averaging method for the non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using Option 2 report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County or the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County under Option 2, the potential exists for under-collateralization, and the risk may increase in periods of high cash flow. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each Option 2 depository. The County utilizes one official depository that collateralizes public deposits in excess of the allowable federal insurance coverage by the Option 2 method.

#### **INVESTMENTS**

G.S. 159-309(c) authorizes the County to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and banker's acceptance; and the North Carolina Cash Management Trust, an SEC registered mutual fund. Investments are stated at cost or amortized cost. The County pools moneys from several funds to facilitate disbursement and investment and maximize investment income. Therefore, all enterprise fund cash and investments are essentially demand deposits and are considered cash and equivalents.

The County received special legislation during the 1999 Legislative Session that provided additional investment opportunities for the County. This legislation enabled the County to maximize returns generated by the investment of the \$30,000,000 received from the transfer of the County's hospital into traditionally higher yielding instruments such as stocks and bonds. However, due to changes that occurred in the economic climate, no funds are invested under the expanded authority at this time.

### **BUDGETARY CONTROL**

In government, more than in business, the budget is an integral part of a unit's accounting system and daily operations. An annual or project budget ordinance, as amended by the governing body, creates a legal limit on spending authorizations and lapses at the end of the fiscal year. The budget can only be amended by action of the Board of Commissioners. For Pitt County, appropriations in all funds are formally budgeted at the departmental level or project level. Project ordinances can be adopted for special revenue and capital project funds. However, for internal accounting purposes, budgetary control is maintained by object class (line item).

## **BUDGETARY ACCOUNTING SYSTEM & CONTROL**

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Expenditures may not legally exceed appropriations at the departmental level for all annually budgeted funds and at the project level for the capital project funds. Accounting control is maintained by encumbering purchase amounts prior to the release of purchase orders to vendors. Purchase orders that would create an over-encumbrance at that level are not written until additional appropriations are available. Encumbrances outstanding at June 30th are reported as reservations of fund balance rather than expenditures and such encumbered funds are appropriated for expenditure in the subsequent fiscal year. The annual budget can be amended through several methods. Changes at the line item level within a department can be initiated and approved by the Department Head with joint approval by the Finance Officer. Transfers between departments less than \$20,000 within the same fund further require the County Manager's approval. The appropriation and expenditure of fund balance, expenditures from contingency, or transfers between funds can be initiated at the department level but must have Finance Officer, County Manager, and Board of County Commissioners approval before the amendment is valid.

## ***PERFORMANCE MEASUREMENTS & TOTAL QUALITY***

Accountability and improvement are essential parts of our operation and, therefore, a part of the budgetary process as well. Pitt County believes that a system of measurable objectives should be established for each area of its operations. The County began its initial stages of performance measures within the budget in Fiscal Year 1996-97 with only a few departments participating in the initial phase of identifying annual objectives. Each successive year, additional departments have been included in the process of identifying and reporting their objectives for the coming year and summarizing accomplishments from the previous year.

Departments have subsequently been introduced to various types of performance measures; and have advanced to identifying and reporting performance indicators in the budget process. All operational departments are identifying and including performance indicators to serve as measures for their objectives or department's productivity. These measures may be indicative of workload, efficiency, or effectiveness. Departments have continued to refine and improve identification and selection of indicators in an effort to accurately measure success. Departments also now link their departmental objectives to the Board of Commissioner's broad goals and develop relevant departmental goals. The staff actively monitors statewide and nationwide efforts on performance standards in government in order to make continuous improvements to the processes in place in Pitt County.

In addition to the performance component, Pitt County is committed to continuous improvement in quality. The County utilizes its Training Department, a division of Human Resources, to focus on Total Quality techniques through training programs offered to all employees. By identifying key services or processes and organizations that excel, the County utilizes benchmarking mechanisms to make improvements within government. Projects have included revamping the payroll time record process, which involved a Quality Team researching methods from various governmental and other outside agencies, taking optimum components, and sculpting a better process to serve the needs of Pitt County. Another major project was development and implementation of a new employee evaluation tool that uses performance objectives and interim evaluations to guide employees and their supervisors toward desired outcomes. Another team completed revisions to the Personnel Ordinance after over a year in review and deliberation. Other completed projects include a consolidated office supply purchasing process and consolidated copier service. Countywide imaging is underway in a phased approach. A departmental operational review was completed in 2005 in the Tax Assessor's Office and changes recommended by the team are being implemented. The Solid Waste & Recycling Department is the next department scheduled for operational review. Projects underway include computer system review for tax billing, collections and appraisal. A Visionary Planning Team has been created this year to identify future issues of concern to study.

## ***FINANCIAL PLANNING***

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Financial planning begins early in the budget process, usually in the fall of the year. The table on the following page shows the County's budget history for the past three years, the current year adopted budget, and the projections for four (4) future planning years. Management determined that given shifts in the economy, assumptions lose validity if the County projects too far into the future. This is similar to our Capital Improvement Plan practice of current plus four years and then a general 6-10 year estimate. The growth factors for both revenues and expenditures were established based on historical growth and planning estimates the County receives from various sources each fiscal year. Also in this section are several financial indicators and benchmarks used to compare with other counties in the state.

The budget forecast projections are based on the following assumptions:

### ***FINANCIAL PLANNING ASSUMPTIONS***

#### ***EXPENDITURES:***

1. Salaries and benefits in both the General Government and Human Services categories will increase at 4% per year.
2. Operating expenditures in both the General Government and Human Services categories will increase at 2% per year.
3. Expenditures for the Public Schools have been, over the past several years, based on a 5-year Compact between the two elected bodies – the Board of Commissioners and the Board of Education. However, that compact expired in 2005 and has not been renegotiated. Therefore, the growth factor is somewhat harder to predict looking forward. To that end, in spring 2005, the County looked at several items – uncontrollable expenditure growth (insurance, utilities, fuel), new facilities that were scheduled to come on line, and student growth – to arrive at funding for the new fiscal year. This type of annual analysis will be done moving forward. For the purposes of this chart, we have employed a 6% growth factor to cover the Community College and the Board of Education needs.
4. Expenditures for public assistance (Medicaid, Special Assistance) are based on past trends and State estimates. We have used a 4% growth factor in these projections due to current data trends.
5. Debt Service uses our current schedule for debt service payments (see Long Term Debt Service chart).
6. The annual funding requirements for the proposed Capital Outlay are from the 5-year plan as prepared during the budget process. Those items which will not be funded on a pay-as-you-go basis have had the annual debt service requirements estimated based on current market conditions and budgeted under the Debt Service category in "Proposed 5-year CIP". There are no new projects at this time.
7. The County strives to keep debt service at no more than 10% of the total general fund budget.
8. The category "Other Agencies" represents funding to groups that are not a part of the General Government or Human Services operating areas. Funding for cultural, recreational, special services, etc. is included in this line item.

## ***FINANCIAL PLANNING***

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### **REVENUES:**

1. The current year property tax amount is based on a 4% annual growth in the tax base and the tax rate as shown on the line at the bottom of the chart labeled "Projected Tax Rate". A 95.50% collection rate is anticipated and \$1.30 million is included in the estimate for delinquent collections. The substantial increase as shown in Fiscal Year 04-05 is due to the average 30% growth in the real property tax base due to completion of the 8-year property revaluation. Real growth combined with the drop in value of personal property and public service company values led to an overall growth in base of 20%. Additionally, annual estimates of delinquent collections in future years are estimated at \$1.3 million.
2. Sales tax revenues are estimated to increase by 4% each year. Additionally, a new ½ cent local option sales tax (Article 44) was implemented in December 2002 and accounts for the substantial change in this revenue across the Fiscal Year 02-03 – Fiscal Year 03-04 time period.
3. All other revenues assume the current cost-sharing formulas for Social Services and other intergovernmental revenues. A 3% growth factor is used in this analysis.
4. In the past several years, revenues have flattened out and the County has, on occasion, made a conscious decision to utilize fund balance to cover expenditures. Actual expenditures are usually about 2% to 3% less than the budgeted appropriations and therefore, the "plug" of fund balance on the revenue side should usually be no more than 2½% to 3½% of the proposed budget in an effort to not actually spend it. This action also helps ensure that the dollar amount of fund balance actually increases.
5. The fund balance percentage is a function of dollars/budget and as the budget grows, it is not enough to maintain the same amount of fund balance. It must grow to simply hold constant the percentage. While the County has used fund balance to cover current expenses, there was a strong balance on which to rely and felt this action afforded the best return for Pitt citizens in tough economic times. Pitt County anticipates maintaining a fund balance of approximately 20%—higher than the overall state average and our peer group average—in spite of increased utilization of this funding source for several past fiscal year cycles. The County is subject to natural disasters (hurricanes) that often do not affect our counterparts in the western part of the state and therefore, we believe we should have slightly higher reserves.

# FINANCIAL PLANNING

## SUMMARY OF ESTIMATED GENERAL FUND FINANCIAL SOURCES & USES

### Pitt County, North Carolina

|  | 2003-04<br>Adopted | 2004-05<br>Adopted | 2005-06<br>Adopted | 2006-07<br>Adopted | 2007-08<br>Forecast | 2008-09<br>Forecast | 2009-10<br>Forecast | 2010-11<br>Forecast |
|--|--------------------|--------------------|--------------------|--------------------|---------------------|---------------------|---------------------|---------------------|
| <b><u>Expenditures:</u></b>  |                    |                    |                    |                    |                     |                     |                     |                     |
| <b>General Government</b>  |                    |                    |                    |                    |                     |                     |                     |                     |
| Salaries & Benefits  | 22.47              | 23.74              | 24.69              | 26.59              | 27.65               | 28.76               | 29.91               | 31.11               |
| Operating  | 8.31               | 8.83               | 9.01               | 9.41               | 9.60                | 9.79                | 9.99                | 10.19               |
| <b>Human Services</b>  |                    |                    |                    |                    |                     |                     |                     |                     |
| Salaries & Benefits  | 25.37              | 24.46              | 25.44              | 19.31              | 20.08               | 20.89               | 21.72               | 22.59               |
| Operating  | 23.58              | 27.08              | 27.62              | 26.77              | 27.31               | 27.85               | 28.41               | 28.98               |
| AFDC/Medicaid  | 8.09               | 8.17               | 8.50               | 9.00               | 9.36                | 9.73                | 10.12               | 10.53               |
| <b>Schools/PCC</b>   |                    |                    |                    |                    |                     |                     |                     |                     |
| Other Agencies   | 29.4               | 30.56              | 32.2               | 34.17              | 36.22               | 38.39               | 40.70               | 43.14               |
| <b>Debt Service</b>  |                    |                    |                    |                    |                     |                     |                     |                     |
| County   | 4.31               | 4.77               | 4.45               | 6.30               | 6.30                | 5.60                | 5.40                | 4.24                |
| Schools  | 5.92               | 5.76               | 5.94               | 5.60               | 4.49                | 4.40                | 4.30                | 4.21                |
| Proposed 5-year CIP  | 0.69               | 0.00               | 0.00               | 0.00               | 0.00                | 1.00                | 2.10                | 4.10                |
| <b>Capital Outlay</b>  |                    |                    |                    |                    |                     |                     |                     |                     |
| Capital Outlay - General Government  | 0.52               | 0.77               | 0.65               | 0.65               | 0.65                | 0.65                | 0.65                | 0.65                |
| Capital Outlay - Human Services  | 0.26               | 0.70               | 0.20               | 0.20               | 0.20                | 0.20                | 0.20                | 0.20                |
| Schools/PCC CIP  | 0.83               | 0.83               | 0.83               | 0.83               | 0.83                | 0.83                | 0.83                | 0.83                |
| Small Projects - Economic Development  | 0.20               | 0.16               | 0.20               | 0.20               | 0.20                | 0.20                | 0.20                | 0.20                |
| <b>Transfers Out</b>   |                    |                    |                    |                    |                     |                     |                     |                     |
|  | 0.00               | 0.73               | 0.50               | 0.70               | 0.33                | 0.50                | 0.50                | 0.50                |
| <b>Totals</b>  | <b>130.44</b>      | <b>137.06</b>      | <b>140.82</b>      | <b>140.38</b>      | <b>143.92</b>       | <b>149.49</b>       | <b>155.73</b>       | <b>162.16</b>       |
| <b><u>Revenues:</u></b>  |                    |                    |                    |                    |                     |                     |                     |                     |
| <b>Property Taxes</b>  |                    |                    |                    |                    |                     |                     |                     |                     |
| Property Taxes   | 45.51              | 54.35              | 58.49              | 61.56              | 64.02               | 69.14               | 71.91               | 74.79               |
| <b>Sales Taxes</b>   | <b>17.55</b>       | <b>18.32</b>       | <b>20.26</b>       | <b>22.27</b>       | <b>23.16</b>        | <b>24.09</b>        | <b>25.05</b>        | <b>26.05</b>        |
| <b>All Other Revenues</b>  | <b>50.00</b>       | <b>53.97</b>       | <b>50.04</b>       | <b>45.84</b>       | <b>47.67</b>        | <b>49.58</b>        | <b>51.56</b>        | <b>53.63</b>        |
| <b>Transfers In</b>  | <b>5.92</b>        | <b>5.76</b>        | <b>6.23</b>        | <b>5.74</b>        | <b>4.49</b>         | <b>5.40</b>         | <b>6.40</b>         | <b>6.31</b>         |
| <b>Fund Balance Appropriated</b>   | <b>11.46</b>       | <b>4.66</b>        | <b>5.80</b>        | <b>4.97</b>        | <b>4.57</b>         | <b>1.28</b>         | <b>0.80</b>         | <b>1.38</b>         |
| <b>Totals</b>  | <b>130.44</b>      | <b>137.06</b>      | <b>140.82</b>      | <b>140.38</b>      | <b>143.92</b>       | <b>149.49</b>       | <b>155.73</b>       | <b>162.16</b>       |
| <b>Projected Tax Rate w/ Proposed CIP</b>  | <b>0.70</b>        | <b>0.70</b>        | <b>0.70</b>        | <b>0.70</b>        | <b>0.70</b>         | <b>0.70</b>         | <b>0.70</b>         | <b>0.70</b>         |
| <hr/>  |                    |                    |                    |                    |                     |                     |                     |                     |
| <b>Total Long Term Debt as % of Budget with proposed CIP</b>                       | 8.37%              | 7.68%              | 7.38%              | 8.48%              | 7.50%               | 7.36%               | 7.58%               | 7.74%               |
| <b>Fund Balance Appropriated as % of Budget</b>                                    | 8.79%              | 3.40%              | 4.12%              | 3.54%              | 3.18%               | 0.86%               | 0.52%               | 0.85%               |
| <b>Undesignated Fund Balance as a % of Budget</b><br>(* = audited / **= estimated) | *21.50             | *18.32             | *16.86             | **21.00            | --                  | --                  | --                  | --                  |
| <b>Assessed Property Valuation</b>   | \$6.8B             | \$8.3B             | \$8.5B             | \$9.0B             | \$9.2B              | \$9.7B              | \$9.9B              | \$10.1B             |
| <b>Total Debt</b>  | \$87.5M            | \$83.2M            | \$106.4M           | \$102.6M           | \$130.0M            | \$150.0M            | \$150.0M            | \$150.0M            |
| <b>Total Debt as % of Assessed Valuation</b>                                       | 1.29%              | 1.00%              | 1.25%              | 1.20%              | 1.17%               | 1.14%               | 1.14%               | 1.14%               |

## **FINANCIAL PLANNING**

|  | 2003-04<br>Adopted | 2004-05<br>Adopted | 2005-06<br>Adopted | 2006-07<br>Adopted | 2007-08<br>Forecast | 2008-09<br>Forecast | 2009-10<br>Forecast | 2010-11<br>Forecast |
|--|--------------------|--------------------|--------------------|--------------------|---------------------|---------------------|---------------------|---------------------|
|--|--------------------|--------------------|--------------------|--------------------|---------------------|---------------------|---------------------|---------------------|

### **Benchmark #1**

|  |       |       |       |       |       |       |       |       |
|--|-------|-------|-------|-------|-------|-------|-------|-------|
| Total Long Term Debt as % of Budget<br>with proposed CIP | 8.37% | 7.68% | 7.38% | 8.48% | 7.50% | 7.36% | 7.58% | 7.74% |
| Moody's, Standard & Poors, Fitch Benchmark               |       |       |       |       |       |       |       |       |

< 10.0% is considered low to moderate by the rating agencies  
> 15.0% is considered high by the rating agencies

### **Benchmark #2**

|  |         |         |          |          |          |          |          |          |
|--|---------|---------|----------|----------|----------|----------|----------|----------|
| Assessed Property Valuation                | \$6.8B  | \$8.3B  | \$8.6B   | \$9.0B   | \$9.2B   | \$9.7B   | \$9.9B   | \$10.1B  |
| Total Debt                                 | \$87.5M | \$83.2M | \$107.3M | \$102.6M | \$130.0M | \$150.0M | \$150.0M | \$150.0M |
| Total Debt as % of Assessed Valuation      | 1.29%   | 1.00%   | 1.25%    | 1.14%    | 1.17%    | 1.14%    | 1.09%    | 1.09%    |
| Moody's, Standard & Poors, Fitch Benchmark |         |         |          |          |          |          |          |          |

< 2.0% is considered low by the rating agencies  
> 6.0% is considered high by the rating agencies

### **Benchmark #3**

|   |        |        |        |         |    |    |    |    |
|---|--------|--------|--------|---------|----|----|----|----|
| Undesignated Fund Balance as a % of Budget<br>(* = audited / **= estimated) | *31.89 | *18.32 | *16.86 | **22.01 | -- | -- | -- | -- |
| State Average for Peer Group (Counties > 100,000)                           | 17.91  |        |        |         |    |    |    |    |
| State Average - All Counties  | 20.36  |        |        |         |    |    |    |    |

Source - N.C. State Treasurer - 2005 latest available data

### **Benchmark #4**

|  |       |      |      |      |      |      |      |      |
|--|-------|------|------|------|------|------|------|------|
| General Obligation Debt Service Per Capita - Pitt County | \$107 | \$87 | \$67 | \$46 | \$28 | \$20 | \$10 | \$10 |
| State Average for Peer Group (Counties > 100,000)        | \$950 |      |      |      |      |      |      |      |
| State Average - All Counties                             | \$684 |      |      |      |      |      |      |      |

Source - N.C. State Treasurer - 2004 latest available data

## ***REVENUE & EXPENDITURE SUMMARY***

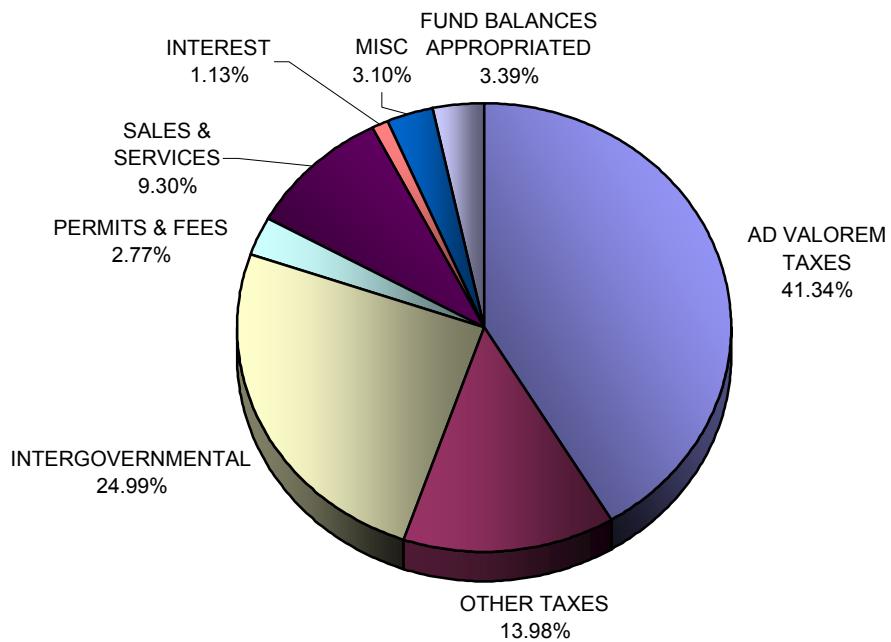
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### **WHERE DOES THE MONEY COME FROM?**

#### **ALL FUNDS**

Excluding Interfund Transfers

**\$199,794,607 Total (\$159,243,183 Unduplicated)**



#### **FY 2006-07 REVENUE SOURCES**

|                            |                      |
|----------------------------|----------------------|
| AD VALOREM TAXES           | \$65,823,126         |
| OTHER TAXES                | \$22,268,839         |
| INTERGOVERNMENTAL          | \$39,801,699         |
| PERMITS & FEES             | \$4,412,610          |
| SALES & SERVICES           | \$14,799,314         |
| INTEREST EARNINGS          | \$1,802,102          |
| MISCELLANEOUS              | \$4,941,536          |
| FUND BALANCES APPROPRIATED | \$5,393,957          |
| <b>UNDUPLICATED TOTAL</b>  | <b>\$159,243,183</b> |
| INTERFUND TRANSFERS        | \$40,551,424         |
| <b>TOTAL BUDGET</b>        | <b>\$199,794,607</b> |

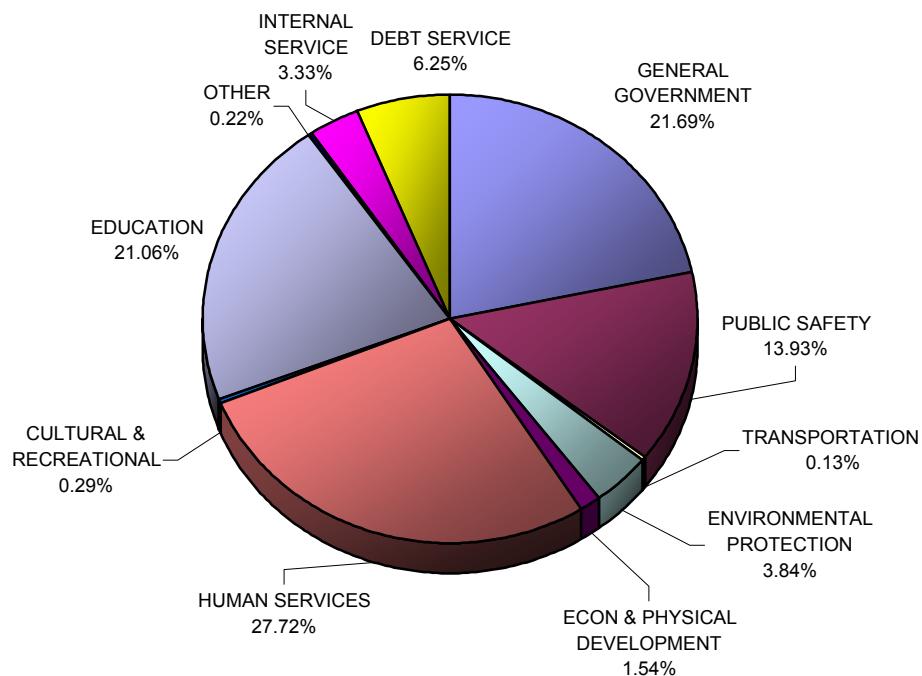
## ***REVENUE & EXPENDITURE SUMMARY***

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### **WHERE DOES THE MONEY GO?**

#### **ALL FUNDS - BY SERVICE AREA**

**\$199,794,607 Total (\$159,243,183 Unduplicated)**



| <b>FY 2006-07 APPROPRIATIONS</b> |                      |
|----------------------------------|----------------------|
| GENERAL GOVERNMENT               | \$43,357,337         |
| PUBLIC SAFETY                    | \$27,825,152         |
| TRANSPORTATION                   | \$248,052            |
| ENVIRONMENTAL PROTECTION         | \$7,672,594          |
| ECON & PHYSICAL DEVELOPMENT      | \$3,081,463          |
| HUMAN SERVICES                   | \$55,385,681         |
| CULTURAL & RECREATIONAL          | \$578,063            |
| EDUCATION                        | \$42,078,974         |
| OTHER                            | \$428,930            |
| INTERNAL SERVICE                 | \$6,646,742          |
| DEBT SERVICE                     | \$12,491,619         |
| <b>TOTAL BUDGET</b>              | <b>\$199,794,607</b> |
| LESS INTERFUND TRANSFERS         | \$40,551,424         |
| <b>UNDUPLICATED TOTAL</b>        | <b>\$159,243,183</b> |

## ***REVENUE & EXPENDITURE SUMMARY***

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### **BUDGET SUMMARY - ALL FUNDS**

|                                       | <b>BUDGET<br/>FY 2004-05</b> | <b>BUDGET<br/>FY 2005-06</b> | <b>BUDGET<br/>FY 2006-07</b> | <b>PERCENT<br/>CHANGE</b> |
|---------------------------------------|------------------------------|------------------------------|------------------------------|---------------------------|
| <b><i>REVENUES / SOURCES</i></b>      |                              |                              |                              |                           |
| Ad Valorem Taxes                      | 59,816,278                   | 62,550,213                   | 65,823,126                   | 5.23%                     |
| Other Taxes                           | 18,454,775                   | 20,257,852                   | 22,268,839                   | 9.93%                     |
| Intergovernmental                     | 35,590,406                   | 36,865,980                   | 39,801,699                   | 7.96%                     |
| Permits and Fees                      | 15,905,662                   | 10,556,757                   | 4,412,610                    | -58.20%                   |
| Sales and Services                    | 13,006,618                   | 14,121,815                   | 14,799,314                   | 4.80%                     |
| Interest Earnings                     | 776,800                      | 1,202,100                    | 1,802,102                    | 49.91%                    |
| Miscellaneous                         | 5,857,172                    | 4,181,899                    | 4,941,536                    | 18.16%                    |
| Fund Balances Appropriated            | 3,689,517                    | 5,901,930                    | 5,393,957                    | -8.61%                    |
| <b><i>Unduplicated Total</i></b>      | <b>153,097,228</b>           | <b>155,638,546</b>           | <b>159,243,183</b>           | <b>2.32%</b>              |
| Interfund Transfers                   | 34,076,383                   | 38,272,734                   | 40,551,424                   | 5.95%                     |
| <b><i>GRAND TOTAL</i></b>             | <b>187,173,611</b>           | <b>193,911,280</b>           | <b>199,794,607</b>           | <b>3.03%</b>              |
| <br><b><i>EXPENDITURES / USES</i></b> |                              |                              |                              |                           |
| General Government                    | 37,078,847                   | 40,336,119                   | 43,357,337                   | 7.49%                     |
| Public Safety                         | 24,246,565                   | 25,912,918                   | 27,825,152                   | 7.38%                     |
| Transportation                        | 5,500                        | 5,500                        | 248,052                      | 4410.04%                  |
| Environmental Protection              | 6,719,945                    | 7,332,322                    | 7,672,594                    | 4.64%                     |
| Economic & Physical Development       | 2,753,982                    | 2,862,528                    | 3,081,463                    | 7.65%                     |
| Human Services                        | 60,664,518                   | 57,868,718                   | 55,385,681                   | -4.29%                    |
| Cultural & Recreational               | 505,161                      | 528,291                      | 578,063                      | 9.42%                     |
| Education                             | 36,460,804                   | 39,146,000                   | 42,078,974                   | 7.49%                     |
| Other                                 | 1,133,199                    | 752,234                      | 428,930                      | -42.98%                   |
| Internal Service                      | 6,545,192                    | 6,677,151                    | 6,646,742                    | -0.46%                    |
| Debt Service                          | 11,059,898                   | 12,489,499                   | 12,491,619                   | 0.02%                     |
| <b><i>GRAND TOTAL</i></b>             | <b>187,173,611</b>           | <b>193,911,280</b>           | <b>199,794,607</b>           | <b>3.03%</b>              |
| Less Interfund Transfers              | 34,076,383                   | 38,272,734                   | 40,551,424                   | 5.95%                     |
| <b><i>Unduplicated Total</i></b>      | <b>153,097,228</b>           | <b>155,638,546</b>           | <b>159,243,183</b>           | <b>2.32%</b>              |

## **REVENUE & EXPENDITURE SUMMARY**

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### **MAJOR REVENUE SOURCE ANALYSIS**

Pitt County government has many sources of revenue. The revenue sources support the County's General Fund and the County's only enterprise fund, the Solid Waste and Recycling Fund. Revenues are affected by an array of outside forces. Fortunately, even when the nation and state economies were struggling with an economic downturn, Pitt County continued to experience economic growth which has led to increases in sales taxes, property taxes, and other sources. State and Federal sources are also a significant source of revenue. These sources, however, are not expected to grow as rapidly in the future; and many programs, especially in Human Services, may experience some decline in revenues. The overall economy is rebounding after several sluggish years and is positively impacting the County.

To estimate revenues for the coming year, the County Manager and Financial Services Department consult with the Tax Assessor and other department heads. Current trends and expected changes for the coming year are considered. The County considers revenue trends over the past five years as well as the effect the County's growth will have on those trends in projecting revenues.

### **TAX BASE**

Property tax valuations have shown steady growth over the past several years. The revaluation of real property, required by statute every eight (8) years, was completed January 1, 2004 effective for the tax levy for this past Fiscal Year 2004-05. On average, property values throughout the county increased by approximately 30% as a result of the revaluation. However, shifts in the value of personal property reduced the overall increase in the combined tax base to 20%. Due to rapid growth, Pitt County Commissioners have elected to conduct the County's revaluations every four years, rather than the maximum eight years. Therefore, the next revaluation of real property is scheduled for January 1, 2008. Pitt County has maintained continuous growth in base through economic development and revaluation even though the North Carolina State Legislature removed property and business inventories from the taxable base after 1988.

### **AD VALOREM TAX**

Current year budgeted net property tax estimates of \$59,209,887 are based on a \$9.05 billion estimated valuation. The tax rate for Fiscal Year 2006-07 is \$0.70 per \$100 of real and personal property. A collection rate of 95.50% is projected. Of the \$.70 tax rate, \$.6850 is budgeted in the General Fund to support general government operations and \$.0150 is budgeted in the Industrial Development Fund to offset economic development costs.

### **SALES TAXES**

Sales tax revenue is the county's second largest single revenue source and has been growing steadily. The current sales tax rate in North Carolina is 7.0%. Pitt County receives two and one-half cents from this 7.0 %.

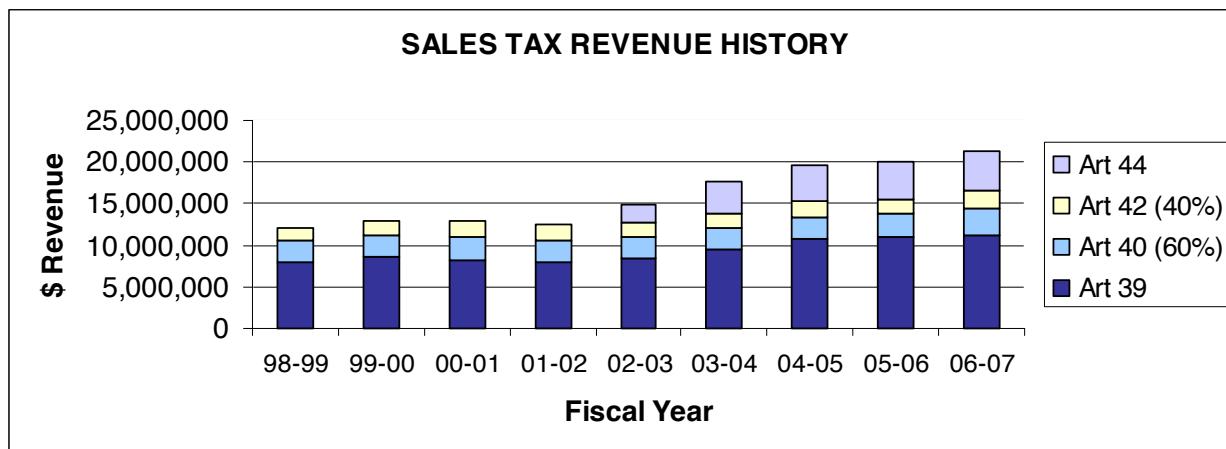
In Pitt County, the total countywide sales tax collections are distributed between the cities in the County and Pitt County government based on the population in each governmental unit. The County's share of 1% (Article 39) is unrestricted. The other 1.5% is legally split into three one-half cents and has certain restrictions placed on the proceeds by General Statute. Currently, 30% of one of the one-half cent (Article 40) sales taxes must be used for school capital projects. In Pitt County, the Board of Commissioners has

## ***REVENUE & EXPENDITURE SUMMARY***

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elected to allocate 40% for school capital projects. The second one-half cent (Article 42) is allocated 60% for schools and 40% for general government. School sales tax collections are now deposited directly in the School Capital Reserve Fund. The third, optional one-half cent (Article 44) was enacted December 1, 2002, in Pitt County to replace reimbursements lost from the State of North Carolina. These funds from the State had been replacement for revenues such as inventory taxes (repealed in 1987-88) and intangibles taxes (repealed in 1997). The reimbursements had provided little growth in revenue over the years they had been in place. Therefore, the one-half cent sales tax is proving to be beneficial to the County, as growth in retail sales has been steady over the years due to a strong economic base. All 100 counties in North Carolina have now implemented the Article 44 sales tax.

Continued annexations by the cities in the County could reduce the County's share of sales tax collections. Additionally, a slowing of economic growth negatively impacts this revenue stream. A continued erosion of this revenue could cause the County to review the distribution method currently employed to gauge if the other available option (ad valorem-based) is more beneficial.



## ***INTERGOVERNMENTAL REVENUE***

Intergovernmental revenue consists of restricted and unrestricted funds. Over 97 percent of restricted intergovernmental revenue comes from State and Federal grants for the departments of Mental Health, Public Health, and Social Services. Federal funds are passed through State agencies and often require matching funds from the County. State funds received by the County may also require a local monetary match. While these departments have experienced significant growth in the past, programs continue to be downsized at the State level. Any significant funding reductions could result in mid-year adjustments to affected programs.

Unrestricted revenues consist primarily of proceeds from the sale of beer, wine and ABC store sales. The County's revenues from sale of alcohol have been stable and have experienced only modest growth.

## ***PERMITS AND FEES***

Permits and fees consist of revenues from excise stamps, building permits, inspection fees, Register of Deeds fees, and fees for services performed by the County's human service agencies. The revenues

## ***REVENUE & EXPENDITURE SUMMARY***

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have increased steadily in the past. The County does not anticipate a significant change in the revenues from these sources this year.

The three major human service departments--Mental Health, Public Health, and Social Services--receive significant reimbursement from Medicaid, Medicare, and private insurance for providing services to clients. Funding from these sources should not be affected by declines in Federal and State funding.

### ***SALES AND SERVICES***

Revenues from sales and services come from a variety of sources including the County's Detention Center, the E911 Surcharge, and user charges from the Solid Waste and Recycling programs. Miscellaneous rents, concessions, and other fees are derived from the operations of various county departments. These sources are expected to remain stable.

### ***INVESTMENT EARNINGS***

The County invests its available cash primarily in agency securities, certificates of deposit, the North Carolina Cash Management Trust and other secured investments. North Carolina General Statutes define acceptable investment options. Traditionally, the earnings have increased as the County's fund balance has increased. After a drop in performance due to nationwide economic conditions and a lack of available investment options with attractive rates, the County's investments are gradually improving. A conscious decision by the Board of Commissioners several years ago to spend down fund balance to help defer a tax increase on the citizens during a tight economy has left fewer available dollars to invest. Therefore, a lower principal balance to invest has limited earning capacity.

## ***REVENUE & EXPENDITURE SUMMARY***

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### **BUDGET SUMMARY ALL FUNDS - BY FUND TYPE**

| <b>FUND<br/>TYPE</b>          | <b>FUND<br/>NUMBER</b> | <b>FUND TITLE</b>            | <b>ADOPTED<br/>FY 2006-07</b> |
|-------------------------------|------------------------|------------------------------|-------------------------------|
| <b>General Fund</b>           |                        |                              |                               |
|                               | 100                    | General Fund                 | 101,833,958                   |
|                               | 150                    | Public Health Fund           | 8,354,100                     |
|                               | 160                    | Social Services Fund         | 34,296,019                    |
|                               | 170                    | Court Facilities Fund        | 448,902                       |
|                               | 190                    | Mental Health Fund           | 12,426,926                    |
|                               | 300                    | Debt Service Fund            | <u>12,491,619</u>             |
|                               |                        |                              | 169,851,524                   |
| <b>Special Revenue Funds</b>  |                        |                              |                               |
|                               | 200                    | School Capital Reserve Fund  | 6,360,009                     |
|                               | 212                    | County Capital Reserve Fund  | 300,000                       |
|                               | 240                    | State Grants Fund            | 1,023,242                     |
|                               | 241                    | Pitt Area Transit Fund       | 242,552                       |
|                               | 250                    | Revaluation Fund             | 275,000                       |
|                               | 260                    | Industrial Development Fund  | 1,432,455                     |
|                               | 280                    | Fire Districts Fund          | 1,110,784                     |
|                               | 281                    | EMS District Fund            | 3,642,607                     |
|                               | 290                    | E911 Surcharge Fund          | 651,826                       |
|                               | 510                    | School Capital Projects Fund | <u>725,000</u>                |
|                               |                        |                              | 15,763,475                    |
| <b>Enterprise Fund</b>        |                        |                              |                               |
|                               | 600                    | Solid Waste Fund             | 7,447,866                     |
| <b>Internal Service Funds</b> |                        |                              |                               |
|                               | 820                    | County Garage Fund           | 509,526                       |
|                               | 840                    | Hospitalization Fund         | 5,637,216                     |
|                               | 850                    | Worker's Compensation Fund   | <u>500,000</u>                |
|                               |                        |                              | 6,646,742                     |
| <b>Fiduciary Fund</b>         |                        |                              |                               |
|                               | 110                    | LEO Pension Fund             | 85,000                        |
| <b>TOTAL BUDGET FY 06-07</b>  |                        |                              | <b>199,794,607</b>            |

## EXPENDITURE SUMMARY - BY FUND

|                                | <b>ACTUAL<br/>FY 2004-05</b> | <b>BUDGET<br/>FY 2005-06</b> | <b>AMENDED*<br/>FY 2005-06</b> | <b>REQUESTED<br/>FY 2006-07</b> | <b>ADOPTED<br/>FY 2006-07</b> | <b>% CHANGE<br/>FY 06 to 07</b> |
|--------------------------------|------------------------------|------------------------------|--------------------------------|---------------------------------|-------------------------------|---------------------------------|
| <b>GENERAL FUND - Fund 100</b> |                              |                              |                                |                                 |                               |                                 |
| Governing Board                | 200,428                      | 197,683                      | 210,198                        | 208,385                         | 208,385                       | -0.86%                          |
| County Manager                 | 490,378                      | 514,272                      | 505,032                        | 495,625                         | 495,625                       | -1.86%                          |
| Financial Services             | 719,757                      | 713,694                      | 714,194                        | 701,851                         | 701,851                       | -1.73%                          |
| Tax Assessor                   | 1,088,253                    | 1,844,880                    | 1,969,880                      | 1,541,416                       | 1,478,967                     | -24.92%                         |
| Tax Collector                  | 434,810                      | 472,996                      | 481,424                        | 522,601                         | 522,601                       | 8.55%                           |
| Legal                          | 697,594                      | 756,702                      | 756,704                        | 811,278                         | 803,078                       | 6.13%                           |
| Elections                      | 557,578                      | 600,569                      | 600,571                        | 728,198                         | 549,817                       | -8.45%                          |
| Register of Deeds              | 915,294                      | 705,269                      | 762,718                        | 882,981                         | 882,981                       | 15.77%                          |
| Public Information             | 168,610                      | 173,875                      | 181,377                        | 211,228                         | 196,360                       | 8.26%                           |
| Human Resources                | 431,310                      | 489,496                      | 489,496                        | 505,296                         | 505,296                       | 3.23%                           |
| Imaging Services/Mailroom      | 103,928                      | 103,687                      | 103,687                        | 106,307                         | 106,307                       | 2.53%                           |
| Management Information Systems | 1,502,806                    | 1,675,689                    | 1,711,750                      | 1,787,696                       | 1,787,696                     | 4.44%                           |
| Geographic Information Systems | 287,599                      | 299,755                      | 302,876                        | 373,106                         | 373,106                       | 23.19%                          |
| Buildings & Grounds            | 2,343,509                    | 2,295,312                    | 2,256,312                      | 2,390,342                       | 2,290,586                     | 1.52%                           |
| Energy Savings                 | 0                            | 0                            | 2,697,002                      | 0                               | 0                             | -100.00%                        |
| Housekeeping Services          | 391,926                      | 372,000                      | 372,000                        | 372,000                         | 372,000                       | 0.00%                           |
| Sheriff                        | 7,297,582                    | 8,014,181                    | 8,404,409                      | 11,659,022                      | 8,717,399                     | 3.72%                           |
| Detention Center               | 6,606,631                    | 7,372,400                    | 7,395,533                      | 8,859,774                       | 7,997,682                     | 8.14%                           |
| Jail Health Services           | 1,002,735                    | 1,071,143                    | 1,071,143                      | 1,166,006                       | 1,211,006                     | 13.06%                          |
| Jail Inmate Coordinator        | 37,234                       | 38,753                       | 39,509                         | 40,617                          | 40,617                        | 2.80%                           |
| School Security                | 536,949                      | 568,724                      | 579,705                        | 585,108                         | 585,108                       | 0.93%                           |
| Emergency Management           | 561,436                      | 571,347                      | 588,367                        | 691,089                         | 691,089                       | 17.46%                          |
| Communications                 | 746,592                      | 834,682                      | 848,413                        | 1,069,852                       | 1,001,852                     | 18.09%                          |
| Animal & Mosquito Control      | 421,488                      | 468,308                      | 463,005                        | 493,771                         | 471,850                       | 1.91%                           |
| Inspections                    | 289,556                      | 328,734                      | 328,734                        | 336,496                         | 336,496                       | 2.36%                           |
| Medical Examiner               | 85,925                       | 88,500                       | 88,500                         | 88,500                          | 88,500                        | 0.00%                           |
| Other Public Safety            | 200,377                      | 247,412                      | 247,412                        | 255,094                         | 255,094                       | 3.10%                           |
| Transportation                 | 19,650                       | 5,500                        | 19,742                         | 57,273                          | 5,500                         | -72.14%                         |
| Other Environmental Protection | 4,950                        | 950                          | 950                            | 950                             | 950                           | 0.00%                           |
| Planning                       | 555,034                      | 645,855                      | 645,855                        | 715,932                         | 698,932                       | 8.22%                           |
| Permitting Center              | 154,566                      | 161,863                      | 164,746                        | 246,210                         | 246,210                       | 49.45%                          |
| Other Economic Development     | 205,602                      | 163,438                      | 413,438                        | 148,352                         | 148,352                       | -64.12%                         |
| Engineering                    | 227,284                      | 240,139                      | 244,688                        | 246,604                         | 192,294                       | -21.41%                         |
| Cooperative Extension Service  | 288,929                      | 288,106                      | 303,106                        | 329,448                         | 327,448                       | 8.03%                           |
| Pitt Soil & Water              | 206,484                      | 212,306                      | 220,816                        | 224,278                         | 223,778                       | 1.34%                           |
| Farmers' Market                | 28,728                       | 34,049                       | 34,556                         | 34,899                          | 35,772                        | 3.52%                           |
| Non-Departmental               | 1,335,687                    | 2,058,987                    | 1,869,901                      | 2,400,766                       | 2,735,337                     | --                              |
| Other Human Services           | 205,160                      | 210,100                      | 460,100                        | 310,477                         | 222,720                       | -51.59%                         |
| Veteran Services               | 49,004                       | 50,940                       | 51,855                         | 85,916                          | 85,916                        | 65.69%                          |
| Pitt County Schools            | 28,110,448                   | 29,693,342                   | 29,693,342                     | 31,864,449                      | 31,390,965                    | 5.72%                           |
| Pitt Community College         | 3,275,000                    | 3,435,000                    | 3,435,000                      | 3,848,329                       | 3,603,000                     | 4.89%                           |
| Cultural & Recreational        | 505,161                      | 528,291                      | 528,291                        | 610,563                         | 578,063                       | 9.42%                           |
| Transfers to Other Funds       | 23,948,795                   | 26,353,218                   | 26,747,302                     | 28,354,062                      | 28,238,442                    | 5.57%                           |
| Contingency                    | 0                            | 752,234                      | 286,269                        | 428,930                         | 428,930                       | --                              |
| <b>GENERAL FUND TOTAL</b>      | <b>87,240,767</b>            | <b>95,654,381</b>            | <b>99,289,908</b>              | <b>106,791,077</b>              | <b>101,833,958</b>            | <b>2.56%</b>                    |

## EXPENDITURE SUMMARY - BY FUND

|  | <b>ACTUAL<br/>FY 2004-05</b> | <b>BUDGET<br/>FY 2005-06</b> | <b>AMENDED*<br/>FY 2005-06</b> | <b>REQUESTED<br/>FY 2006-07</b> | <b>ADOPTED<br/>FY 2006-07</b> | <b>% CHANGE<br/>FY 06 to 07</b> |
|--|------------------------------|------------------------------|--------------------------------|---------------------------------|-------------------------------|---------------------------------|
| <b><u>OTHER FUNDS</u></b>                    |                              |                              |                                |                                 |                               |                                 |
| <b>Law Enforcement Pension - Fund 110</b>    | 60,827                       | 85,000                       | 85,000                         | 85,000                          | 85,000                        | 0.00%                           |
| <b>Health - Fund 150</b>                     | 7,082,741                    | 8,148,303                    | 8,269,999                      | 8,545,798                       | 8,354,100                     | 1.02%                           |
| <b>Social Services - Fund 160</b>            | 29,424,319                   | 31,212,444                   | 32,845,457                     | 34,497,216                      | 34,296,019                    | 4.42%                           |
| <b>Court Facilities - Fund 170</b>           | 410,642                      | 416,335                      | 441,335                        | 448,902                         | 448,902                       | 1.71%                           |
| <b>Mental Health - Fund 190</b>              | 22,091,679                   | 18,246,931                   | 22,266,911                     | 12,426,926                      | 12,426,926                    | -44.19%                         |
| <b>School Capital Reserve - Fund 200</b>     | 5,749,059                    | 5,917,658                    | 5,917,658                      | 5,635,009                       | 6,360,009                     | 7.48%                           |
| <b>County Capital Reserve - Fund 210</b>     | 1,400,000                    | 0                            | 0                              | 0                               | 300,000                       | 100.00%                         |
| <b>State/Federal Forfeiture - Fund 220</b>   | 29,761                       | 0                            | 124,150                        | 0                               | 0                             | -100.00%                        |
| <b>State Grants - Fund 240</b>               | 2,283,956                    | 1,077,146                    | 3,334,644                      | 713,894                         | 1,023,242                     | -69.31%                         |
| <b>Pitt Area Transit - 241</b>               | -                            | 0                            | 0                              | 242,552                         | 242,552                       | 100.00%                         |
| <b>Revaluation - Fund 250</b>                | 3,837                        | 206,700                      | 206,700                        | 275,000                         | 275,000                       | 33.04%                          |
| <b>Industrial Development - Fund 260</b>     | 1,333,593                    | 1,329,078                    | 1,478,012                      | 1,432,455                       | 1,432,455                     | -3.08%                          |
| <b>Fire Districts - Fund 280</b>             | 1,118,769                    | 1,051,074                    | 1,302,924                      | 1,110,784                       | 1,110,784                     | -14.75%                         |
| <b>EMS District - Fund 281</b>               | 3,220,349                    | 3,488,802                    | 3,489,802                      | 3,642,607                       | 3,642,607                     | 4.38%                           |
| <b>E911 Surcharge - Fund 290</b>             | 780,703                      | 691,712                      | 677,981                        | 651,826                         | 651,826                       | -3.86%                          |
| <b>Debt Service - Fund 300</b>               | 23,676,269                   | 12,489,499                   | 12,587,237                     | 12,491,619                      | 12,491,619                    | -0.76%                          |
| <b>School Capital Projects - Fund 510</b>    | 283,599                      | 100,000                      | 565,277                        | 725,000                         | 725,000                       | 28.26%                          |
| <b>Solid Waste &amp; Recycling- Fund 600</b> | 7,072,124                    | 7,119,066                    | 7,187,191                      | 7,463,205                       | 7,447,866                     | 3.63%                           |
| <b>County Garage - Fund 820</b>              | 458,477                      | 408,111                      | 538,111                        | 509,526                         | 509,526                       | -5.31%                          |
| <b>Employee Medical - Fund 840</b>           | 4,880,417                    | 5,769,040                    | 5,769,040                      | 5,938,768                       | 5,637,216                     | -2.29%                          |
| <b>Worker's Compensation - Fund 850</b>      | 656,324                      | 500,000                      | 500,000                        | 500,000                         | 500,000                       | 0.00%                           |
| <b>GRAND TOTAL</b>                           | 199,258,212                  | 193,911,280                  | 206,877,337                    | 204,127,164                     | 199,794,607                   | -3.42%                          |

\* As of 5/5/06

## **FUND SUMMARY**

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### **Fund Type and Assignment Numbers**

*The various funds of Pitt County are maintained in the fund types listed below. For more information on fund accounting, see section entitled "Budgetary Accounting System & Control".*

#### **GENERAL OPERATING FUNDS**

100 General  
150 Health  
160 Social Services  
170 Court Facility  
190 Mental Health  
240 State Grants  
300 Debt Service

#### **ENTERPRISE FUNDS**

600 Solid Waste and Recycling  
  
**INTERNAL SERVICE FUNDS**  
820 Garage  
840 Employee Medical Insurance  
850 Workers Compensation

#### **SPECIAL REVENUE FUNDS**

200 School Capital Reserve  
220 State and Federal Forfeitures  
236 Community Development Block Grant  
240 State Grants  
250 Revaluation  
260 Industrial Development Commission  
270 Industrial Development Building  
280 Fire Districts  
281 EMS District  
290 E911 Surcharge

#### **FIDUCIARY FUNDS**

110 LEO Pension

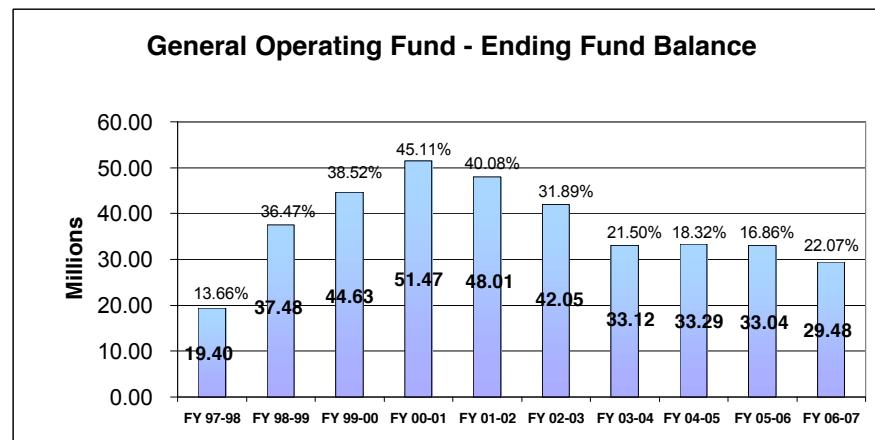
#### **CAPITAL PROJECTS**

410 Pitt Community College Bond  
411 Pitt Community College Bond Match  
472 2004 COPS Education Projects  
491 Community Schools & Recreation  
500 ECTC Building  
510 School Improvement Projects

## FUND SUMMARY

### FUND BALANCE HISTORY - GENERAL OPERATING FUNDS

|  | ACTUAL<br>2002-03  | ACTUAL<br>2003-04  | ACTUAL<br>2004-05  | ACTUAL<br>2005-06  | PROJECTED<br>2006-07 |
|--|--------------------|--------------------|--------------------|--------------------|----------------------|
| <b>BEGINNING FUND BALANCE</b>  | 48,007,392         | 42,049,458         | 33,123,539         | 33,292,132         | 33,044,444           |
| <b>REVENUES</b>  |                    |                    |                    |                    |                      |
| PROPERTY TAXES   | 44,101,989         | 46,748,801         | 56,248,116         | 60,878,022         | 62,000,000           |
| OTHER TAXES & LICENSES   | 15,027,606         | 19,191,994         | 21,211,373         | 22,854,869         | 23,200,000           |
| INTERGOVERNMENTAL  | 38,894,709         | 40,076,083         | 41,945,875         | 46,238,953         | 40,000,000           |
| PERMITS AND FEES   | 2,382,936          | 2,623,753          | 2,755,928          | 3,001,754          | 3,000,000            |
| SALES AND SERVICES   | 4,624,055          | 4,960,712          | 5,309,808          | 5,159,278          | 5,200,000            |
| INVESTMENT EARNINGS  | 565,150            | 634,428            | 1,132,642          | 1,836,068          | 1,800,000            |
| MISCELLANEOUS  | 1,656,899          | 532,226            | 806,468            | 914,045            | 900,000              |
| <b>TOTAL REVENUE</b>   | <b>107,253,344</b> | <b>114,767,997</b> | <b>129,410,210</b> | <b>140,882,989</b> | <b>136,100,000</b>   |
| <b>OTHER FINANCING SOURCES</b>   |                    |                    |                    |                    |                      |
| OPERATING TRANSFERS IN   | 105,199            | 150,000            | -                  | -                  | -                    |
| OPERATING TRANSFERS OUT  | (4,978,613)        | (9,095,485)        | (6,791,225)        | (6,929,868)        | (7,000,000)          |
| PROCEEDS FROM LEASE PURCHASE   | 435,000            | -                  | -                  | -                  | -                    |
| PREMIUM - ISSUANCE OF DEBT   | -                  | -                  | -                  | 3,422,002          | -                    |
| <b>TOTAL OTHER FINANCING SOURCES</b>   | <b>(4,438,414)</b> | <b>(8,945,485)</b> | <b>(6,791,225)</b> | <b>(3,507,866)</b> | <b>(7,000,000)</b>   |
| <b>EXPENDITURES</b>  |                    |                    |                    |                    |                      |
| CURRENT:   |                    |                    |                    |                    |                      |
| GENERAL GOVERNMENT   | 11,268,950         | 10,527,303         | 11,779,455         | 15,507,763         | 16,000,000           |
| PUBLIC SAFETY  | 15,812,403         | 16,920,990         | 18,102,632         | 19,736,265         | 20,400,000           |
| ENVIRONMENTAL PROTECTION   | 188,299            | 213,262            | 211,435            | 219,636            | 200,000              |
| ECONOMIC & PHYSICAL DEV  | 1,209,016          | 1,730,225          | 1,460,093          | 1,736,494          | 1,700,000            |
| HUMAN SERVICES   | 51,411,688         | 54,489,313         | 58,852,913         | 66,784,294         | 58,700,000           |
| CULTURAL & RECREATIONAL  | 589,259            | 491,838            | 505,161            | 536,972            | 525,000              |
| EDUCATION  | 28,293,249         | 30,222,455         | 31,385,448         | 32,948,342         | 34,993,000           |
| DEBT SERVICE   | -                  | 153,045            | 153,282            | 153,045            | 150,000              |
| <b>TOTAL EXPENDITURES</b>  | <b>108,772,864</b> | <b>114,748,431</b> | <b>122,450,419</b> | <b>137,622,811</b> | <b>132,668,000</b>   |
| REVENUE AND OTHER FINANCING SOURCES<br>OVER (UNDER) EXPENDITURES AND<br>OTHER FINANCING USES | (5,957,934)        | (8,925,919)        | 168,593            | (247,688)          | (3,568,000)          |
| <b>FUND BALANCE, ENDING</b>  | <b>42,049,458</b>  | <b>33,123,539</b>  | <b>33,292,132</b>  | <b>33,044,444</b>  | <b>29,476,444</b>    |
| UNRESERVED BUT DESIGNATED  | 11,643,300         | 4,668,853          | 5,735,011          | 5,064,002          |                      |
| UNDESIGNATED   | 23,039,335         | 20,005,649         | 16,696,302         | 18,144,917         | 29,276,444           |
| GENERAL FUND EXPENDITURES  | 108,772,864        | 114,748,431        | 122,450,419        | 137,622,811        | 132,668,000          |
| FUND BALANCE (UNRESERVED) AS %<br>OF EXPENDITURES  | 31.89%             | 21.50%             | 18.32%             | 16.86%             | 22.07%               |



## FUND SUMMARY

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### FUND BALANCE HISTORY - OTHER FUNDS

(Fund types other than General Operating Fund)

|  | ACTUAL<br>2002-03 | ACTUAL<br>2003-04 | ACTUAL<br>2004-05 | ACTUAL<br>2005-06 | PROJECTED<br>2006-07 |
|--|-------------------|-------------------|-------------------|-------------------|----------------------|
| <b>SPECIAL REVENUE FUNDS</b>                 |                   |                   |                   |                   |                      |
| Beginning Fund Balance                       | 3,799,455         | 2,748,563         | 1,270,635         | 938,270           | 1,629,944            |
| Revenues                                     | 10,925,418        | 12,110,787        | 13,889,873        | 13,143,708        | 13,000,000           |
| (Expenditures)                               | (7,131,010)       | (7,733,190)       | (7,790,069)       | (7,812,404)       | (10,000,000)         |
| Transfers Out                                | (4,845,300)       | (5,855,525)       | (6,432,169)       | (4,639,630)       | (4,000,000)          |
| Ending Fund Balance                          | 2,748,563         | 1,270,635         | 938,270           | 1,629,944         | 629,944              |
| <b>CAPITAL PROJECTS FUNDS <sup>(1)</sup></b> |                   |                   |                   |                   |                      |
| Beginning Fund Balance                       | 16,422,674        | 13,179,011        | 23,934,221        | 19,714,949        | 10,512,685           |
| Revenues                                     | 943,071           | 2,734,196         | 269,291           | 871,208           | 500,000              |
| (Expenditures)                               | (3,992,017)       | (4,741,619)       | (31,185,759)      | (9,473,211)       | (10,000,000)         |
| Transfers In/Out                             | (194,717)         | 5,812,633         | 2,812,196         | (600,261)         | -                    |
| Proceeds from Issuance of Debt               | -                 | 6,950,000         | 23,885,000        | -                 | -                    |
| Ending Fund Balance                          | 13,179,011        | 23,934,221        | 19,714,949        | 10,512,685        | 1,012,685            |
| <b>ENTERPRISE FUND</b>                       |                   |                   |                   |                   |                      |
| Beginning Fund Balance                       | (165,036)         | (307,955)         | (484,149)         | (1,165,085)       | (945,045)            |
| Revenues                                     | 7,012,888         | 6,470,475         | 6,686,609         | 7,277,280         | 7,300,000            |
| (Expenditures)                               | (7,155,807)       | (6,646,669)       | (7,367,545)       | (7,057,240)       | (6,500,000)          |
| Ending Fund Balance                          | (307,955)         | (484,149)         | (1,165,085)       | (945,045)         | (145,045)            |
| <b>INTERNAL SERVICE FUNDS</b>                |                   |                   |                   |                   |                      |
| Beginning Fund Balance                       | 1,090,125         | 1,543,062         | 1,223,445         | 1,015,609         | 1,169,742            |
| Revenues                                     | 6,093,577         | 5,709,027         | 5,787,382         | 6,354,984         | 6,400,000            |
| (Expenditures)                               | (5,640,640)       | (6,028,644)       | (5,995,218)       | (6,200,851)       | (6,350,000)          |
| Prior Period Adjustments                     | -                 | -                 | -                 | -                 | -                    |
| Ending Fund Balance                          | 1,543,062         | 1,223,445         | 1,015,609         | 1,169,742         | 1,219,742            |

**(1)** Capital Projects are adopted at the Project Ordinance level at the inception of the project. A project ordinance runs for the life of the project and annual reappropriation is not necessary. Therefore, there are no budgets for the capital projects fund included in this document.

**(2)** Revenues due from FEMA related to Hurricane Floyd (09/1999) still due. Closeout scheduled for October 2005. At present, County's pending claim is \$600,000 but could go higher and would offset deficit. After final resolution, rates will be adjusted to bring fund in line.

**(3)** While FEMA closeout related to Hurricane Floyd (09/1999) has occurred. Two reimbursements from vendors are pending.

# FUND SUMMARY

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## FUND BALANCE HISTORY - OTHER FUNDS

(Fund types other than General Operating Fund)

|  | ACTUAL<br>2001-02        | ACTUAL<br>2002-03        | ACTUAL<br>2003-04        | ACTUAL<br>2004-05          | ACTUAL<br>2005-06 |
|--|--------------------------|--------------------------|--------------------------|----------------------------|-------------------|
| <b>SPECIAL REVENUE FUNDS</b>                 |                          |                          |                          |                            |                   |
| Beginning Fund Balance                       | 4,533,921                | 3,799,455                | 2,748,563                | 1,270,635                  | 938,270           |
| Revenues                                     | 14,766,082               | 10,925,418               | 12,110,787               | 13,889,873                 | 13,143,708        |
| (Expenditures)                               | (9,961,157)              | (7,131,010)              | (7,733,190)              | (7,790,069)                | (7,812,404)       |
| Transfers Out                                | (5,539,391)              | (4,845,300)              | (5,855,525)              | (6,432,169)                | (4,639,630)       |
| Ending Fund Balance                          | 3,799,455                | 2,748,563                | 1,270,635                | 938,270                    | 1,629,944         |
| <b>CAPITAL PROJECTS FUNDS <sup>(1)</sup></b> |                          |                          |                          |                            |                   |
| Beginning Fund Balance                       | 16,422,674               | 6,915,540                | 3,671,877                | 14,427,087                 | 10,207,815        |
| Revenues                                     | 2,718,331                | 943,071                  | 2,734,196                | 269,291                    | 871,208           |
| (Expenditures)                               | (21,377,255)             | (3,992,017)              | (4,741,619)              | (31,185,759)               | (9,473,211)       |
| Transfers In/Out                             | -                        | (194,717)                | 5,812,633                | 2,812,196                  | (600,261)         |
| Proceeds from Issuance of Debt               | 9,151,790                | -                        | 6,950,000                | 23,885,000                 | -                 |
| Ending Fund Balance                          | 6,915,540                | 3,671,877                | 14,427,087               | 10,207,815                 | 1,005,551         |
| <b>ENTERPRISE FUND</b>                       |                          |                          |                          |                            |                   |
| Beginning Fund Balance                       | (165,036)                | (613,222)                | (756,141)                | (932,335)                  | (1,613,271)       |
| Revenues                                     | 8,568,210                | 7,012,888                | 6,470,475                | 6,686,609                  | 7,277,280         |
| (Expenditures)                               | (9,016,396)              | (7,155,807)              | (6,646,669)              | (7,367,545)                | (7,057,240)       |
| Ending Fund Balance                          | (613,222) <sup>(2)</sup> | (756,141) <sup>(2)</sup> | (932,335) <sup>(2)</sup> | (1,613,271) <sup>(2)</sup> | (1,393,231)       |
| <b>INTERNAL SERVICE FUNDS</b>                |                          |                          |                          |                            |                   |
| Beginning Fund Balance                       | 1,090,125                | 1,579,884                | 2,032,821                | 1,713,204                  | 1,505,368         |
| Revenues                                     | 5,596,917                | 6,093,577                | 5,709,027                | 5,787,382                  | 6,354,984         |
| (Expenditures)                               | (5,715,981)              | (5,640,640)              | (6,028,644)              | (5,995,218)                | (6,200,851)       |
| Prior Period Adjustments                     | 608,823                  | -                        | -                        | -                          | -                 |
| Ending Fund Balance                          | 1,579,884                | 2,032,821                | 1,713,204                | 1,505,368                  | 1,659,501         |

(1) Capital Projects are adopted at the Project Ordinance level at the inception of the project. A project ordinance runs for the life of the project and annual reappropriation is not necessary. Therefore, there are no budgets for the capital projects fund included in this document.

(2) Revenues due from FEMA related to Hurricane Floyd (09/1999) still due. Closeout scheduled for October 2005. At present, County's pending claim is \$600,000 but could go higher and would offset deficit. After final resolution, rates will be adjusted to bring fund in line.

## FUND SUMMARY

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### FUND BALANCE HISTORY - OTHER FUNDS

(Fund types other than General Operating Fund)

|  | ACTUAL<br>2000-01        | ACTUAL<br>2001-02        | ACTUAL<br>2002-03        | ACTUAL<br>2003-04          | PROJECTED<br>2004-05 |
|--|--------------------------|--------------------------|--------------------------|----------------------------|----------------------|
| <b>SPECIAL REVENUE FUNDS</b>                 |                          |                          |                          |                            |                      |
| Beginning Fund Balance                       | 3,516,712                | 4,533,921                | 3,799,455                | 2,748,563                  | 952,065              |
| Revenues                                     | 16,900,258               | 14,766,082               | 10,925,418               | 11,970,688                 | 12,000,000           |
| (Expenditures)                               | (11,134,567)             | (9,961,157)              | (7,131,010)              | (7,687,200)                | (7,500,000)          |
| Residual Equity Transfer                     | (4,748,482)              | (5,539,391)              | (4,845,300)              | (6,079,986)                | (6,200,000)          |
| Ending Fund Balance                          | 4,533,921                | 3,799,455                | 2,748,563                | 952,065                    | (747,935)            |
| <b>CAPITAL PROJECTS FUNDS <sup>(1)</sup></b> |                          |                          |                          |                            |                      |
| Beginning Fund Balance                       | 10,502,256               | 16,422,674               | 6,915,540                | 3,671,877                  | 14,651,548           |
| Revenues                                     | 8,906,687                | 2,718,331                | 943,071                  | 2,734,196                  | 50,000               |
| (Expenditures)                               | (31,357,412)             | (21,377,255)             | (3,992,017)              | (4,741,619)                | (23,000,000)         |
| Residual Equity Transfer                     | 321,143                  | -                        | (194,717)                | 6,037,094                  | -                    |
| Proceeds from Issuance of Debt               | 28,050,000               | 9,151,790                | -                        | 6,950,000                  | 30,000,000           |
| Ending Fund Balance                          | 16,422,674               | 6,915,540                | 3,671,877                | 14,651,548                 | 21,701,548           |
| <b>ENTERPRISE FUND</b>                       |                          |                          |                          |                            |                      |
| Beginning Fund Balance                       | 804,955                  | (165,036)                | (613,222)                | (756,141)                  | (1,163,764)          |
| Revenues                                     | 9,028,783                | 8,568,210                | 7,012,888                | 6,039,046                  | 6,900,000            |
| (Expenditures)                               | (9,998,774)              | (9,016,396)              | (7,155,807)              | (6,446,669)                | (6,400,000)          |
| Ending Fund Balance                          | (165,036) <sup>(2)</sup> | (613,222) <sup>(2)</sup> | (756,141) <sup>(2)</sup> | (1,163,764) <sup>(2)</sup> | (663,764)            |
| <b>INTERNAL SERVICE FUNDS</b>                |                          |                          |                          |                            |                      |
| Beginning Fund Balance                       | 447,450                  | 1,090,125                | 1,579,884                | 2,032,821                  | 1,480,796            |
| Revenues                                     | 5,401,740                | 5,596,917                | 6,093,577                | 5,623,809                  | 6,000,000            |
| (Expenditures)                               | (5,411,139)              | (5,715,981)              | (5,640,640)              | (6,175,834)                | (5,800,000)          |
| Prior Period Adjustments                     | 652,074                  | 608,823                  | -                        | -                          | -                    |
| Ending Fund Balance                          | 1,090,125                | 1,579,884                | 2,032,821                | 1,480,796                  | 1,680,796            |

(1) Capital Projects are adopted at the Project Ordinance level at the inception of the project. A project ordinance runs for the life of the project and annual reappropriation is not necessary. Therefore, there are no budgets for the capital projects fund included in this document.

(2) Revenues due from FEMA related to Hurricane Floyd (09/1999) still due.

# FUND SUMMARY

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## FUND BALANCE HISTORY - OTHER FUNDS

(Fund types other than General Operating Fund)

|  | ACTUAL<br>1999-00 | ACTUAL<br>2000-01        | ACTUAL<br>2001-02 | ACTUAL<br>2002-03 | PROJECTED<br>2003-04 |
|--|-------------------|--------------------------|-------------------|-------------------|----------------------|
| <b>SPECIAL REVENUE FUNDS</b>                 |                   |                          |                   |                   |                      |
| Beginning Fund Balance                       | 1,528,778         | 3,516,712                | 4,533,921         | 3,799,455         | 2,748,562            |
| Revenues                                     | 15,300,257        | 16,900,258               | 14,766,082        | 10,925,417        | 10,900,000           |
| (Expenditures)                               | (13,312,323)      | (11,134,567)             | (9,961,157)       | (7,131,010)       | (6,500,000)          |
| Residual Equity Transfer                     | -                 | (4,748,482)              | (5,539,391)       | (4,845,300)       | (6,800,000)          |
| Ending Fund Balance                          | 3,516,712         | 4,533,921                | 3,799,455         | 2,748,562         | 348,562              |
| <b>CAPITAL PROJECTS FUNDS <sup>(1)</sup></b> |                   |                          |                   |                   |                      |
| Beginning Fund Balance                       | 3,673,304         | 10,502,256               | 16,422,674        | 6,915,540         | 3,620,316            |
| Revenues                                     | 7,039,727         | 8,906,687                | 2,718,331         | 943,071           | 500,000              |
| (Expenditures)                               | (12,154,127)      | (31,357,412)             | (21,377,255)      | (3,992,017)       | (12,500,000)         |
| Residual Equity Transfer                     | -                 | 321,143                  | -                 | (246,278)         | -                    |
| Proceeds from Issuance of Debt               | 11,943,352        | 28,050,000               | 9,151,790         | -                 | 30,000,000           |
| Ending Fund Balance                          | 10,502,256        | 16,422,674               | 6,915,540         | 3,620,316         | 21,620,316           |
| <b>ENTERPRISE FUND</b>                       |                   |                          |                   |                   |                      |
| Beginning Fund Balance                       | 922,875           | 804,955                  | (165,036)         | (613,222)         | (756,141)            |
| Revenues                                     | 13,157,329        | 9,028,783                | 8,568,210         | 7,012,888         | 6,960,000            |
| (Expenditures)                               | (13,275,249)      | (9,998,774)              | (9,016,396)       | (7,155,807)       | (6,200,000)          |
| Ending Fund Balance                          | 804,955           | (165,036) <sup>(2)</sup> | (613,222)         | (756,141)         | 3,859                |
| <b>INTERNAL SERVICE FUNDS</b>                |                   |                          |                   |                   |                      |
| Beginning Fund Balance                       | 860,137           | 447,450                  | 1,090,125         | 971,061           | 1,424,000            |
| Revenues                                     | 4,581,822         | 5,401,740                | 5,596,917         | 6,093,579         | 6,000,000            |
| (Expenditures)                               | (4,994,509)       | (5,411,139)              | (5,715,981)       | (5,640,640)       | (5,700,000)          |
| Prior Period Adjustments                     | -                 | 652,074                  | -                 | -                 | -                    |
| Ending Fund Balance                          | 447,450           | 1,090,125                | 971,061           | 1,424,000         | 1,724,000            |

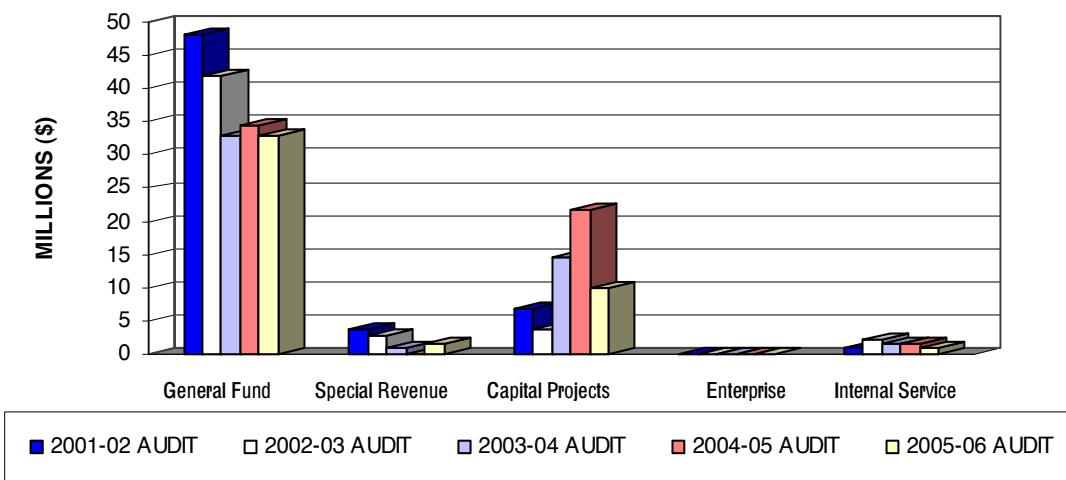
(1) Capital Projects are adopted at the Project Ordinance level at the inception of the project. A project ordinance runs for the life of the project and annual reappropriation is not necessary. Therefore, there are no budgets for the capital projects fund included in this document.

(2) Revenues due from FEMA running on 180+ day lag.

## **FUND SUMMARY**

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### **FUND BALANCES - ALL FUNDS**



As shown, all of the above fund types maintain their own fund balances each year. In some fund types, steady growth is a necessity. The County consciously works to increase the fund balance in the General Fund—a combination of the General Operating Fund, Court Facilities, Law Enforcement Officers Pension, Mental Health, Health, and Social Services Funds. This presentation method is used to be consistent with the County's audit presentation. The General Fund is the one in which the County has discretionary spending power and is also the fund observed by the Local Government Commission (LGC), a division of the North Carolina Treasurer's Office. The LGC requires an unrestricted fund balance equivalent to a minimum of 8% of the prior year's expenditures; and for units the size of Pitt County, recommends 15-16%. In actuality, counties of similar size to Pitt County average a fund balance of 17-18%. In the completed June 30, 2006 audit, the County has a fund balance of 16.86%.

Pitt County aggressively works to contain costs and maximize revenues with an eye toward keeping this financial indicator solid. The County has typically budgeted fund balance with no intention of using it. The over collection of revenues and the trend for departments to spend between 95-98% of their budgets usually negates the need to actually spend fund balance appropriated. For several years, however, a conscious decision was made to spend a portion of the County's substantial fund balance rather than increase taxes on citizens during trying economic times. This spend-down policy was used for three years, and returned in FY 04-05 to the posture of adopting a budget with a "plug" of fund balance at a level where no real spend-down is anticipated.

Changes in the Special Revenue Fund are indicative of active grant programs. Construction activity on County projects is reflected in the Capital Projects Fund. Balances increase and decrease as projects are active and then completed.

The proprietary fund types—Enterprise and Internal Service—typically increase their balances each year. The County monitors these funds and tries to maintain a healthy balance between the use of available fund balance to cover costs and setting reasonable user fees to make up the complete revenue picture.

## **DEBT SUMMARY**

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### **LEGAL DEBT LIMIT**

The County is subject to the Municipal Finance Law of North Carolina which limits the amount of net debt the County may have outstanding to eight percent of the appraised value of property subject to taxation. At June 30, 2006, the County's statutory debt capacity is \$675,988,202. At that same point in time, the County's actual gross outstanding debt was \$102,627,585 which is comprised of \$6,655,000 in General Obligation bond (G. O.) debt, \$90,800,000 in Certificates of Participation, and \$5,172,585 in outstanding installment financing.

A distinction should be made between the various types of debt the County maintains. General Obligation (G.O.) bonds are backed by the "full faith and credit" of the County. The General Assembly has pledged the power and obligation of the County to levy taxes and raise other revenues for the prompt payment of installments of principal and interest or for the maintenance of sinking funds. This authority is unrestricted as to rate and/or amount. In North Carolina, no bonds may be issued without the approval of the Department of the State Treasurer, Local Government Commission. A sworn statement of debt must also be filed attesting that net debt will not exceed the eight percent limitation on appraised property value.

Certificates of Participation and lease-purchase financing do not pledge the "full faith and credit" of the County but rather offer the investors/lien holders the purchased property as security for the financing, and the repayment is subject to annual appropriation. In the event of default, repossession or foreclosure action could occur.

### **GENERAL OBLIGATION DEBT**

Pitt County has issued General Obligation bonds to finance facilities and equipment for Pitt County, Pitt County Schools and Pitt Community College. As indicated on the debt schedule at the end of this summary, the total outstanding General Obligation debt was \$6,655,000 at June 30, 2006. The County's primary focus in debt management is to keep the amount of debt at a level whereby available resources can carry the debt and to keep the debt within the legal debt limitations established by the State of North Carolina State Treasurer's Office while maintaining a minimum cost to the taxpayer.

The County's outstanding G.O. debt is made up of the following issues:

**1993 Refunding – Schools** - On July 16, 1993, the County issued \$25,645,000 in G.O. bonds to advance refund \$23,700,000 of outstanding 1990 series bonds. The net proceeds were used to purchase U.S. Government bonds which were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1990 series bonds. As a result, the 1990 series bonds are considered to be defeased and the liability for those bonds has been removed from the general long-term debt group.

**1995 Landfill** - The County issued \$3 million in General Obligation Sanitary Landfill bonds to finance the capital costs of sanitary landfill transfer facilities. These bonds are serviced with the proceeds of the Solid Waste Enterprise Fund and therefore, deducted when calculating the County's Legal Debt Margin.

**1999A Pitt Community College Refunding** – In January 1999, Pitt County issued \$8,460,000 G.O. bonds to advance refund \$7,750,000 of outstanding 1992 Series bonds. The net proceeds were used to purchase U.S. Government bonds which were deposited in an irrevocable trust with an escrow agent to

## **DEBT SUMMARY**

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provide for all future debt service payments on the 1992 series bonds. As a result, the 1992 series bonds are considered to be defeased and the liability for those bonds has been removed from the general long-term debt group.

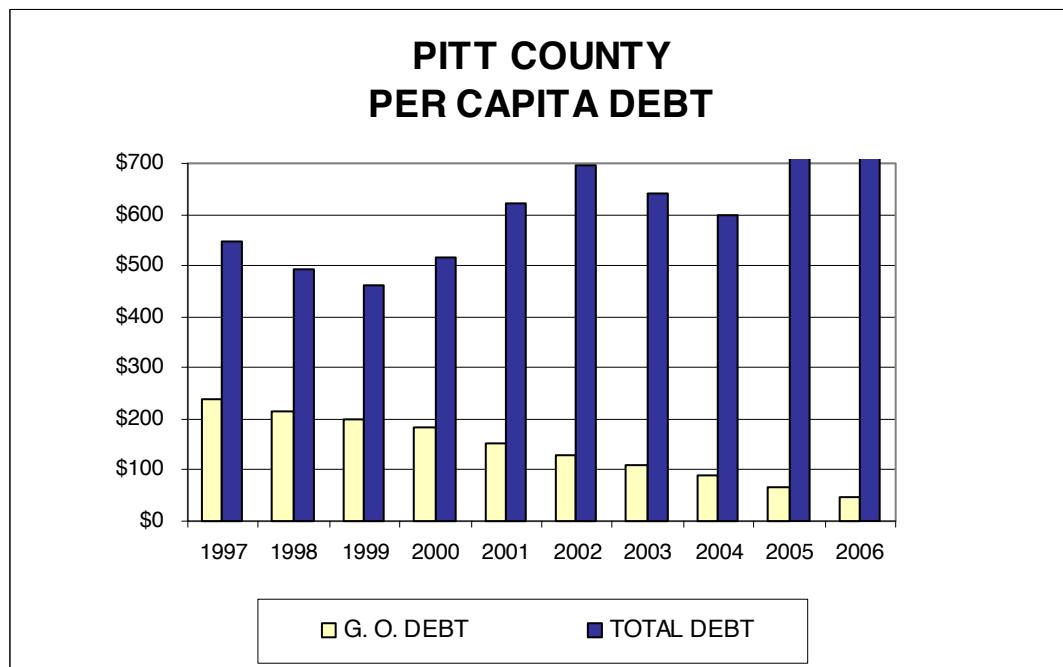
**1999B Pitt Community College** - Also in 1999, General Obligation bonds in the amount of \$500,000 were issued to complete the second floor of the student services building at the Community College.

### **BONDED DEBT PER CAPITA**

The general obligation bonded debt per capita at June 30, 2006 is \$67.21. The following chart shows the debt per capita for the last five years:

| At June 30 | Total G. O. Debt | Assessed Valuation | Debt to Assessed Valuation | Population | Debt Per Capita |
|------------|------------------|--------------------|----------------------------|------------|-----------------|
| 2001       | \$20,325,000     | \$5,983,140,030    | 0.34%                      | 133,798    | \$151.91        |
| 2002       | \$17,650,000     | \$6,344,680,597    | 0.28%                      | 134,936    | \$130.80        |
| 2003       | \$14,985,000     | \$6,610,280,819    | 0.23%                      | 137,901    | \$108.66        |
| 2004       | \$12,285,000     | \$6,730,640,462    | 0.18%                      | 138,922    | \$ 88.43        |
| 2005       | \$ 9,510,000     | \$8,449,852,523    | 0.11%                      | 141,499    | \$ 67.21        |
| 2006       | \$ 6,655,000     | \$8,892,218,859    | 0.07%                      | 143,212    | \$ 46.47        |

Overall debt per capita, based on the County's full debt load of \$102,627,585 results in \$716.61 per person.



## **DEBT SUMMARY**

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### **DEBT OTHER THAN BONDS**

The County has seven outstanding issues of Certificates of Participation (COP) with a total balance of \$90,800,000 as of July 1, 2006, as indicated on the debt schedule following this summary. These COPs include:

**1997A COP, Courthouse & Elementary School** - In 1997, the County issued \$18,665,000 in COPs to finance renovations and a four-story addition to the Courthouse and to fund the construction of an elementary school. The County designated \$9,761,795 for the renovation and expansion of the Courthouse and \$8,903,205 to construct the new elementary school.

**1997B COP, 1991 Refunding, Jail & Agricultural Center** - The County issued Certificates of Participation in April 1991 in the amount of \$14,500,000 to finance the purchase of land and the construction of a new jail and agricultural center. In May 1997, the County issued \$8,835,000 to advance refund the callable portion of the 1991 issue.

**2000A COP, School Improvements, High School Land** - In May 2000, the County issued Certificates of Participation for multiple education projects including additions at Pactolus School, G. R. Whitfield School, and land for a new high school totaling \$12,255,000.

**2000B COP, South Central High School** - In November 2000, the County issued Certificates of Participation to finance the construction of a new high school in the amount of \$28,050,000.

**2001 COP, 1992 Refunding, Public Facilities** - In July 1992, the County issued \$6,145,000 in Certificates of Participation to finance the construction of a new mental health and public health center. In 2001, the balance of \$4.3 million was refunded and combined with \$8.3 million in new money for Courthouse Phase II renovations for a total COPs issue of \$12,635,000.

**2004B COP, Partial Refunding of 1997A** - In October, 2004, the County issued \$12,510,000 to advance refund a portion of the 1997A Certificates of Participation for the Courthouse, Elementary School. A sum of \$1,565,000 of the original 1997 issue is still outstanding and will be retired in FY 06-07.

**2004B COP, School Projects** - In October, 2004, the County issued Certificates of Participation to finance the construction of a new middle school in the amount of \$30,000,000.

Other outstanding debt for the County consists of several loans from the Global Transpark Development Trust Fund (GTP) and several from lending institutions, the balances of which are shown on the debt payable summary at the end of this section. These loans include funds for the following:

**Technology Incubator** - The County originally borrowed \$500,000 in 1995 to purchase a facility to begin an economic incubator program to attract new industry into the County. This loan was refinanced in August 1996 with a new principal balance of \$1,200,000. The additional funds were used to renovate the building purchased in 1995.

**Grifton Sewer Project** - A second GTP Loan was issued to the County in December 1999 for the benefit of the Town of Grifton in the amount of \$261,000 for the Town to extend municipal sewer service. In July 2005, the County facilitated a 2<sup>nd</sup> loan for sewer extension for the Town of Grifton. This loan was for \$250,000 and will run through 2015.

**Ayden/GUC Gas Line Project** - Another GTP loan in the amount of \$499,500 was issued to the County on behalf of Greenville Utilities and the Town of Ayden in May 2000. The project was for the installation of a natural gas line to the Ayden Industrial Park.

## **DEBT SUMMARY**

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**Technology Incubator** – A GTP loan in the amount of \$150,000 was issued to the County in December, 2002, for the Industrial Development Commission's continued renovations and development to the Technology Incubator.

**Ambulances** – A short-term loan from Wachovia was secured in November 2003 in the amount of \$400,000 to purchase four ambulances.

**EMS Facilities** – The County borrowed \$560,000 from Wachovia in December 2003 to construct two EMS stations.

**EMS Autopulses** – A short-term loan from Banc of America in the amount of \$150,000 allowed the County to purchase autopulse machines for each of the County's EMS units. These machines perform chest compressions, allowing paramedics to handle other emergency tasks.

**2005 – Guaranteed Energy Savings Project** – In July 2005, the County entered into a 12 year \$2,697,002 financing to pay for energy improvements throughout the county facilities.

**2006 – NCPTS Project** – In January, the County entered into a \$475,000 financing to convert the Tax Billing, Collection and Mass Appraisal Systems from a mainframe platform to current technology. This debt will retire in July 2009.

## **BOND RATINGS**

Rating agencies review Pitt County's financial position each time the county issues debt, analyzing our debt burden, proposed debt, general economy, infrastructure needs, and overall outlook for the future. Upon our last review in Fall of 2004, the following ratings were received from these agencies:

| <b>Rating Agency</b> | <b>Rating Type</b> | <b>Rating for Current Project</b> | <b>Opinion</b>   |
|----------------------|--------------------|-----------------------------------|------------------|
| Moody's              | GO                 | Aa3                               | Affirmed         |
|                      | COPS               | A1                                | Stable Outlook   |
| Standard & Poor's    | GO                 | AA-                               | Affirmed         |
|                      | COPS               | A+                                | Stable Outlook   |
| Fitch IBCA           | GO                 | AA                                | Affirmed         |
|                      | COPS               | AA-                               | Negative Outlook |

Pitt County takes pride in its AA ratings from all three agencies, considering less than 15 percent of debt issues taken to the public market by counties in general carry the AA rating.

## **IMPACT ON CURRENT & FUTURE BUDGET YEARS**

The Fiscal Year 2006-07 adopted budget for Pitt County is \$199,794,607. This covers only the operating costs of the County and a few pay-as-you-go projects.

All existing capital projects of the County were established by Project Ordinances at the start of each project, and that authorization lasts until the project is completed. No annual carryover budgets are required.

Capital items such as vehicles, equipment and rolling stock are budgeted in each department's operating budget. The County does not feel the dollar volume of these purchases necessitates borrowing money to complete the purchase. This is analyzed each year before the County adopts its budget; and thus far, it has been determined that a pay-as-you-go method is appropriate.

## ***DEBT SUMMARY***

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### ***FUTURE ANTICIPATED OBLIGATION***

The County continues to prepare a multi-year Capital Improvement Plan with anticipated needs noted. Under North Carolina law, school facilities are typically funded by the counties. With an extreme need for additional facilities to keep pace with the County's growth, Pitt County is seeking legislative authority to take a one-half cents sales tax to a vote of the people. The legislation has passed the North Carolina House and is to be taken up by the Senate. If authorized and it receives an affirmative vote from Pitt citizens, the tax will be used to fund debt for identified school construction needs of both the public schools and Pitt Community College. Recent enactment of a State lottery will bring some educational funding from the State, however, the anticipated amount is not sufficient to cover the annual debt projected to meet current construction needs.

### ***LONG-RANGE PLANNING***

Facility and space needs of county government programs continue to be an identified goal of the Pitt County Board of Commissioners. Identified needs include consolidated space for Social Service programs, additional detention center bed space, and public school facilities. However, until resolution of the sales tax initiative and activation of the lottery, little new construction will actually occur.

## **DEBT SUMMARY**

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**PITT COUNTY**  
**COMPUTATION OF LEGAL DEBT MARGIN**  
**June 30, 2006**

Assessed Valuations:

|                |                 |
|----------------|-----------------|
| Assessed Value | \$8,892,218,859 |
|----------------|-----------------|

Debt Limit - Eight Percent (8%) of

|                     |               |
|---------------------|---------------|
| Appraised Valuation | \$711,377,509 |
|---------------------|---------------|

Gross Debt:

|                            |             |
|----------------------------|-------------|
| Outstanding Bonded Debt:   |             |
| General Governmental Bonds | \$6,655,000 |

Other:

|                               |                    |
|-------------------------------|--------------------|
| Certificates of Participation | \$90,800,000       |
| Other Loans                   | <u>\$5,172,585</u> |

|                   |               |
|-------------------|---------------|
| <b>Gross Debt</b> | \$102,627,585 |
|-------------------|---------------|

Less:

|   |                      |
|---|----------------------|
| Bonds Covered by Enterprise Fund (Landfill) | <u>(\$1,000,000)</u> |
|---|----------------------|

|                 |               |
|-----------------|---------------|
| <b>Net Debt</b> | \$101,627,585 |
|-----------------|---------------|

|                          |               |
|--------------------------|---------------|
| <b>Legal Debt Margin</b> | \$609,749,924 |
|--------------------------|---------------|

**PITT COUNTY**  
**SCHEDULE OF DEBT PAYABLE**  
June 30, 2006

|  | Issue Date        | Due Serially<br>To | Interest<br>Rate | Original<br>Issue    | Balance<br>June 30, 2006 |
|--|-------------------|--------------------|------------------|----------------------|--------------------------|
| <b>General Obligation Bonds</b>  |                   |                    |                  |                      |                          |
| 1993 Refunding GO Bonds, Schools   | July 28, 1993     | FY 06-07           | Variable         | \$ 25,645,000        | \$ 1,490,000             |
| 1995 Landfill GO Bonds   | August 1, 1995    | FY 10-11           | Variable         | \$ 3,000,000         | \$ 1,000,000             |
| 1999A Pitt Community College Refunding GO Bonds                                | February 1, 1999  | FY 09-10           | Variable         | \$ 8,460,000         | \$ 3,960,000             |
| 1999B Pitt Community College GO Bonds  | February 1, 1999  | FY 09-10           | Variable         | <u>\$ 500,000</u>    | <u>\$ 205,000</u>        |
|  |                   |                    |                  | <u>\$ 37,605,000</u> | <u>\$ 6,655,000</u>      |
| <b>Certificates of Participation</b>   |                   |                    |                  |                      |                          |
| 1997A COP, Courthouse, Elementary School,                                      | May 18, 1997      | FY 06-07           | Variable         | \$ 18,665,000        | \$ 855,000               |
| 2004B COP, Partial Refunding of 1997A  | October 25, 2004  | FY 16-17           | Variable         | \$ 12,510,000        | \$ 12,275,000            |
| 1997B COP, 1991 Refunding, Public Facilities-Jail/Ag                           | May 18, 1997      | FY 07-08           | Variable         | \$ 8,835,000         | \$ 2,555,000             |
| 2000A COP, School Improvements, High School Land                               | May 1, 2000       | FY 24-25           | Variable         | \$ 12,255,000        | \$ 10,310,000            |
| 2000B COP, South Central High School   | November 1, 2000  | FY 24-25           | Variable         | \$ 28,050,000        | \$ 25,950,000            |
| 2001COP, 1992 Refunding of Health/MH Plus New<br>Money for Courthouse Phase II | October 1, 2001   | FY 25-26           | Variable         | \$ 12,635,000        | \$ 9,455,000             |
| 2004B COP, School Projects   | October 25, 2004  | FY 28-29           | Variable         | <u>\$ 30,000,000</u> | <u>\$ 29,400,000</u>     |
|  |                   |                    |                  | <u>\$122,950,000</u> | <u>\$ 90,800,000</u>     |
| <b>Other Loans</b>   |                   |                    |                  |                      |                          |
| Global Transpark, Prepshirt Building   | August 7, 1996    | FY 11-12           | 4.125%           | \$ 1,200,000         | \$ 505,988               |
| Global Transpark, Grifton Sewer Project  | December, 1999    | FY 16-17           | 3.500%           | \$ 261,000           | \$ 198,079               |
| Global Transpark, Ayden Gas Line   | May, 2000         | FY 09-10           | 3.500%           | \$ 499,500           | \$ 226,515               |
| Global Transpark, Tech Incubator   | December 9, 2002  | FY 07-08           | 3.500%           | \$ 150,000           | \$ 65,907                |
| Global Transpark, Grifton #2   | July 11, 2005     | FY 14-15           | 3.500%           | \$ 250,000           | \$ 227,769               |
| Banc of Amercia, Autopulses  | September 1, 2004 | FY 09-10           | 4.040%           | \$ 150,000           | \$ 122,017               |
| Wachovia, Ambulances   | November 1, 2003  | FY 08-09           | 2.540%           | \$ 400,000           | \$ 206,308               |
| Wachovia, EMS Facilities   | December 10, 2003 | FY 13-14           | 3.750%           | \$ 560,000           | \$ 448,000               |
| Wachovia, NCPTS Project  | January 16, 2006  | FY 08-09           | 3.490%           | \$ 475,000           | \$ 475,000               |
| Wachovia, Guaranteed Energy  | April 5, 2006     | FY 17-18           | 3.560%           | <u>\$ 2,697,002</u>  | <u>\$ 2,697,002</u>      |
|  |                   |                    |                  | <u>\$ 6,642,502</u>  | <u>\$ 5,172,585</u>      |
| <b>Total Debt Payable</b>  |                   |                    |                  |                      |                          |
|  |                   |                    |                  | \$ 167,197,502       | \$ 102,627,585           |

## ANNUAL LONG-TERM\* DEBT SERVICE SUMMARY - 2005-2015

|  | FY05-06           | FY06-07           | FY07-08           | FY08-09           | FY09-10          | FY10-11          | FY11-12          | FY12-13          | FY13-14          |
|--|-------------------|-------------------|-------------------|-------------------|------------------|------------------|------------------|------------------|------------------|
| <b>GENERAL GOVERNMENT DEBT</b>           |                   |                   |                   |                   |                  |                  |                  |                  |                  |
| Refunding (1997 COPS)                    | 1,385,152         | 1,382,347         | 1,380,740         | --                | --               | --               | --               | --               | --               |
| Courthouse (1997 COPS)/2004 Refunded     | 793,571           | 793,156           | 791,002           | 793,160           | 792,140          | 792,094          | 793,571          | 791,904          | 793,604          |
| Pitt Community College (1999 GO)         | 1,036,130         | 1,037,730         | 1,087,930         | 1,354,730         | 1,124,280        | --               | --               | --               | --               |
| Courthouse / 92Refunding (2001 COPS)     | 1,201,867         | 1,187,005         | 1,179,880         | 1,160,465         | 1,149,875        | 1,141,875        | 622,875          | 602,910          | 587,430          |
| Schools (2004 COPS)                      | 1,915,674         | 1,903,674         | 1,938,673         | 2,372,424         | 2,339,424        | 2,306,424        | 2,273,424        | 2,218,424        | 2,483,424        |
| Sub-total                                | 6,332,394         | 6,303,912         | 6,378,225         | 5,680,779         | 5,405,719        | 4,240,393        | 3,689,870        | 3,613,238        | 3,864,458        |
| <b>PUBLIC SCHOOL DEBT **</b>             |                   |                   |                   |                   |                  |                  |                  |                  |                  |
| Pitt County Schools (1993 GO Refunding)  | 1,988,810         | 1,565,990         | --                | --                | --               | --               | --               | --               | --               |
| Pitt County Schools (1997 COPS)/2004 Ref | 723,774           | 723,394           | 721,430           | 723,398           | 722,468          | 722,426          | 723,774          | 722,253          | 723,803          |
| Schools (2000A COPS)                     | 1,119,606         | 1,092,356         | 1,065,106         | 1,037,856         | 1,010,061        | 981,994          | 953,381          | 921,363          | 892,750          |
| Schools (2000B COPS)                     | 2,085,466         | 2,253,266         | 2,706,866         | 2,642,348         | 2,576,783        | 2,510,520        | 2,443,560        | 2,373,810        | 2,299,060        |
| Sub-total                                | 5,917,656         | 5,635,006         | 4,493,402         | 4,403,602         | 4,309,312        | 4,214,940        | 4,120,715        | 4,017,426        | 3,915,613        |
| <b>Grand Total</b>                       | <b>12,250,050</b> | <b>11,938,918</b> | <b>10,871,627</b> | <b>10,084,381</b> | <b>9,715,031</b> | <b>8,455,333</b> | <b>7,810,585</b> | <b>7,630,664</b> | <b>7,780,071</b> |

\*This chart represents loans with debt service greater than or equal to 20 years at issuance, typically General Obligation bonds and Certificates of Participation.

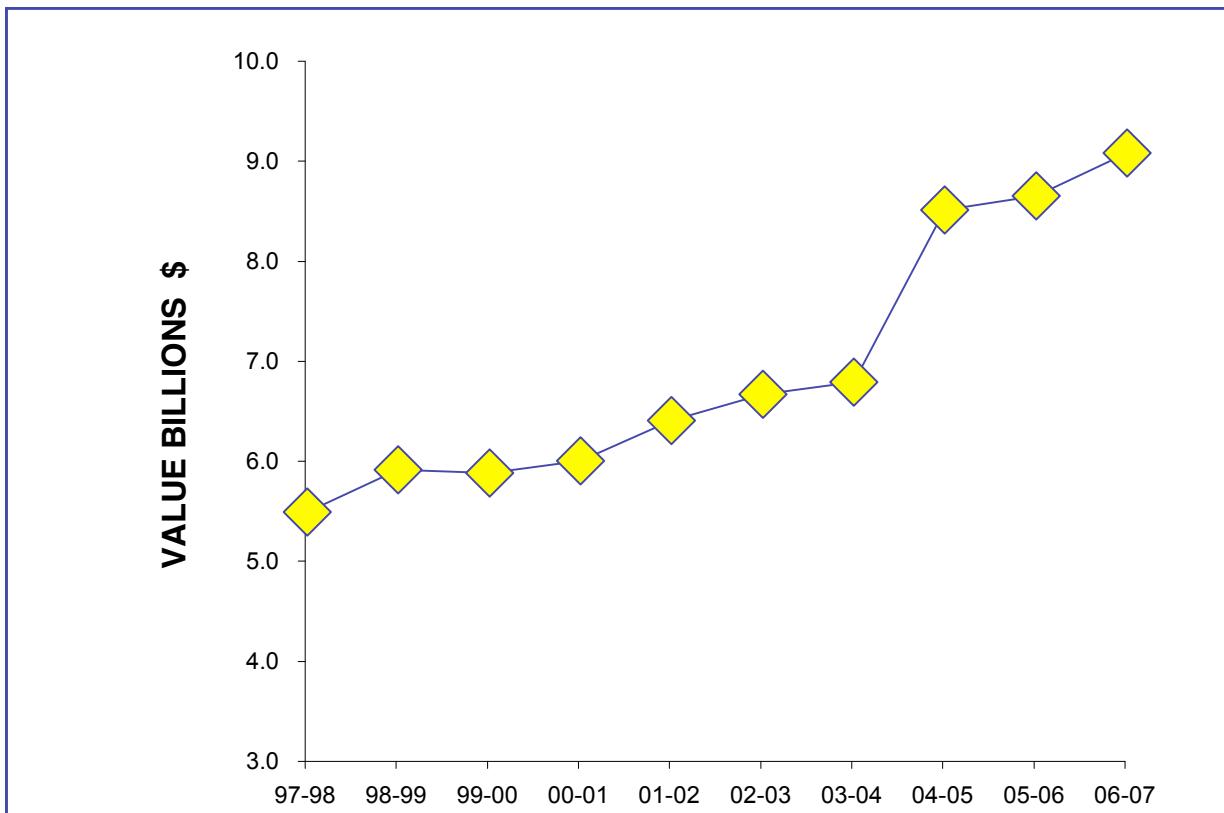
\*\*Board of Education covers this debt service with restricted sales tax revenues and ADM Capital Building funds.

## **TAX SUMMARY**

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### **PITT COUNTY**

#### **ASSESSED PROPERTY VALUATION**



Revaluation of real property is required by statute every eight (8) years. Pitt County completed an eight-year revaluation effective January 1, 2004 for levy of taxes in Fiscal Year 2004-05 and will begin conducting four-year revaluations with the next one effective January 1, 2008.

## **TAX SUMMARY**

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**PITT COUNTY**  
**ANALYSIS OF ADOPTED TAX LEVY**  
**FISCAL YEAR 2006-07**  
**Tax Rate per \$100 = \$0.70**

|  | <i>Estimated Value</i> |             | <i>Levy Proceeds</i> |
|--|------------------------|-------------|----------------------|
| Real & Personal Property                                 | \$9,020,000,000        | @ .70/\$100 | \$63,140,000         |
| Adjustment for Non-Collection ( <i>Collection Rate</i> ) |                        | X 95.50%    |                      |
| <b>Total Ad Valorem Tax</b>                              |                        |             | <b>\$60,298,700</b>  |

### **DISTRIBUTION OF AD VALOREM TAX PROCEEDS ACROSS FUNDS**

|                             |          |                     |
|-----------------------------|----------|---------------------|
| General Fund                | \$0.6850 | \$59,006,585        |
| Development Commission Fund | \$0.0150 | \$1,292,115         |
|                             |          | <b>\$60,298,700</b> |

## **TAX SUMMARY**

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### **PITT COUNTY**

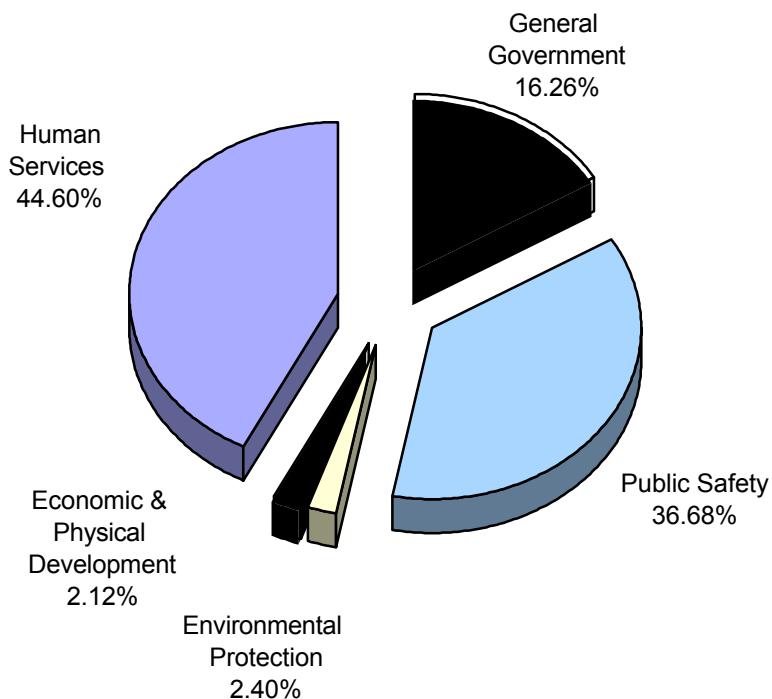
#### **2006 TOP TEN TAXPAYERS**

| <b><i>Taxpayer</i></b>               | <b><i>Type</i></b> | <b><i>Value</i></b>     |
|--------------------------------------|--------------------|-------------------------|
| DSM Catalytica Pharmaceuticals       | Manufacturer       | \$ 232,011,098          |
| DSM Dyneema LLC                      | Manufacturer       | 89,557,908              |
| Sprint                               | Communications     | 65,400,000 Estimate     |
| Paper Pak                            | Manufacturer       | 52,412,524 Under Appeal |
| Weyerhaeuser Company                 | Manufacturer       | 40,116,474              |
| Asmo                                 | Manufacturer       | 36,029,052              |
| NACCO Materials Handling Group, Inc. | Manufacturer       | 27,746,667              |
| Marelda Greenville Mall (Colonial)   | Shopping Mall      | 26,978,780              |
| Speight, Maxine                      | Developer          | 26,043,670              |
| Southeast Region LLC                 | Apartments         | 19,086,006              |
|                                      |                    | \$ 615,382,179          |

## ***HUMAN RESOURCES SUMMARY***

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**PERCENTAGE OF FTE POSITIONS  
BY SERVICE AREA  
Fiscal Year 2006-07**



| <b>Service Area</b>             | <b>FTEs</b>   |
|---------------------------------|---------------|
| General Government              | 142.50        |
| Public Safety                   | 321.50        |
| Environmental Protection        | 21.00         |
| Economic & Physical Development | 18.60         |
| Human Services                  | 372.85        |
| <b>Total FTE Positions</b>      | <b>876.45</b> |

## **HUMAN RESOURCES SUMMARY**

### **SUMMARY OF POSITIONS BY SERVICE AREA**

|                           | <b>AMENDED<br/>FY 2003-04</b> | <b>AMENDED<br/>FY 2004-05</b> | <b>AMENDED<br/>FY 2005-06</b> | <b>REQUEST<br/>FY 2006-07</b> | <b>ADOPTED<br/>FY 2006-07</b> | <b>% CHANGE<br/>FY 06 to 07</b> |
|---------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|---------------------------------|
| <b>GENERAL GOVERNMENT</b> |                               |                               |                               |                               |                               |                                 |
| County Manager            | 5.00                          | 6.00                          | 5.00                          | 5.00                          | 5.00                          | 0.00%                           |
| Financial Services        | 12.00                         | 12.00                         | 11.00                         | 11.00                         | 11.00                         | 0.00%                           |
| Tax Assessor              | 19.00                         | 19.50                         | 22.50                         | 23.50                         | 22.50                         | 0.00%                           |
| Revaluation               | 5.00                          | 0.00                          | 0.00                          | 0.00                          | 0.00                          | 0.00%                           |
| Tax Collector             | 9.00                          | 10.00                         | 10.00                         | 10.00                         | 10.00                         | 0.00%                           |
| Legal                     | 9.50                          | 10.00                         | 10.00                         | 10.00                         | 10.00                         | 0.00%                           |
| Board of Elections        | 6.00                          | 6.00                          | 6.00                          | 7.00                          | 6.00                          | 0.00%                           |
| Register of Deeds         | 11.00                         | 11.00                         | 11.00                         | 11.00                         | 11.00                         | 0.00%                           |
| Public Information        | 2.00                          | 2.00                          | 2.00                          | 2.50                          | 2.00                          | 0.00%                           |
| Human Resources           | 8.00                          | 8.00                          | 8.00                          | 8.00                          | 8.00                          | 0.00%                           |
| Print Shop/Mailroom       | 2.00                          | 2.00                          | 2.00                          | 2.00                          | 2.00                          | 0.00%                           |
| Management Info Systems   | 25.00                         | 26.00                         | 26.00                         | 26.00                         | 26.00                         | 0.00%                           |
| Geographic Info Systems   | 2.00                          | 2.00                          | 2.00                          | 3.00                          | 3.00                          | 50.00%                          |
| Buildings & Grounds       | 23.00                         | 23.00                         | 23.00                         | 25.00                         | 24.00                         | 4.35%                           |
| Garage                    | 1.00                          | 1.00                          | 1.00                          | 1.00                          | 1.00                          | 0.00%                           |
| Court Facilities          | 1.00                          | 1.00                          | 1.00                          | 1.00                          | 1.00                          | 0.00%                           |
| <b>TOTAL</b>              | <b>140.50</b>                 | <b>139.50</b>                 | <b>140.50</b>                 | <b>146.00</b>                 | <b>142.50</b>                 | <b>1.42%</b>                    |
| <b>PUBLIC SAFETY</b>      |                               |                               |                               |                               |                               |                                 |
| Sheriff                   | 111.00                        | 118.00                        | 125.00                        | 129.00                        | 127.00                        | 1.60%                           |
| Detention Center          | 117.00                        | 120.00                        | 123.00                        | 137.00                        | 126.00                        | 2.44%                           |
| Jail Health Services      | 1.00                          | 1.00                          | 0.00                          | 0.00                          | 0.00                          | 0.00%                           |
| School Security           | 11.00                         | 11.00                         | 11.00                         | 11.00                         | 11.00                         | 0.00%                           |
| Jail Inmate Coordinator   | 1.00                          | 1.00                          | 1.00                          | 1.00                          | 1.00                          | 0.00%                           |
| Emergency Services        | 3.50                          | 3.50                          | 4.20                          | 4.20                          | 4.20                          | 0.00%                           |
| EMS District              | 14.50                         | 14.50                         | 15.80                         | 15.80                         | 15.80                         | 0.00%                           |
| Communications            | 15.00                         | 15.00                         | 17.50                         | 17.50                         | 17.50                         | 0.00%                           |
| Animal & Mosquito Control | 7.00                          | 7.00                          | 7.00                          | 8.00                          | 7.25                          | 3.57%                           |
| E911 Surcharge            | 2.25                          | 2.25                          | 2.75                          | 2.75                          | 2.75                          | 0.00%                           |
| Inspections               | 5.00                          | 5.00                          | 5.00                          | 5.00                          | 5.00                          | 0.00%                           |
| Pitt Area Transit         | 0.00                          | 0.00                          | 1.00                          | 1.00                          | 1.00                          | 0.00%                           |
| State Grants *            | 7.10                          | 4.10                          | 4.00                          | 3.00                          | 3.00                          | -25.00%                         |
| <b>TOTAL</b>              | <b>295.35</b>                 | <b>302.35</b>                 | <b>317.25</b>                 | <b>335.25</b>                 | <b>321.50</b>                 | <b>1.34%</b>                    |

## ***HUMAN RESOURCES SUMMARY***

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### **SUMMARY OF POSITIONS BY SERVICE AREA**

|  | <b>AMENDED<br/>FY 2003-04</b> | <b>AMENDED<br/>FY 2004-05</b> | <b>AMENDED<br/>FY 2005-06</b> | <b>REQUEST<br/>FY 2006-07</b> | <b>ADOPTED<br/>FY 2006-07</b> | <b>% CHANGE<br/>FY 06 to 07</b> |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|---------------------------------|
| <b>ENVIRONMENTAL PROTECTION</b>            |                               |                               |                               |                               |                               |                                 |
| Pitt Soil & Water                          | 5.00                          | 4.00                          | 4.00                          | 4.00                          | 4.00                          | 0.00%                           |
| Solid Waste & Recycling                    | 17.25                         | 17.25                         | 17.25                         | 17.25                         | 17.00                         | -1.45%                          |
| <b>TOTAL</b>                               | <b>22.25</b>                  | <b>21.25</b>                  | <b>21.25</b>                  | <b>21.25</b>                  | <b>21.00</b>                  | <b>-1.18%</b>                   |
| <b>ECONOMIC &amp; PHYSICAL DEVELOPMENT</b> |                               |                               |                               |                               |                               |                                 |
| Planning                                   | 8.75                          | 8.75                          | 8.75                          | 8.75                          | 8.75                          | 0.00%                           |
| Permitting Center                          | 3.50                          | 3.50                          | 3.50                          | 3.50                          | 3.50                          | 0.00%                           |
| Engineering                                | 2.75                          | 2.75                          | 2.75                          | 2.75                          | 1.75                          | -36.36%                         |
| Industrial Development                     | 3.00                          | 3.00                          | 4.00                          | 4.00                          | 4.00                          | 0.00%                           |
| Farmers Market                             | 0.60                          | 0.60                          | 0.60                          | 0.60                          | 0.60                          | 0.00%                           |
| <b>TOTAL</b>                               | <b>18.60</b>                  | <b>18.60</b>                  | <b>19.60</b>                  | <b>19.60</b>                  | <b>18.60</b>                  | <b>-5.10%</b>                   |
| <b>HUMAN SERVICES</b>                      |                               |                               |                               |                               |                               |                                 |
| Health                                     | 117.90                        | 120.70                        | 118.30                        | 123.60                        | 124.60                        | 5.33%                           |
| Social Services                            | 221.00                        | 220.00                        | 222.00                        | 225.00                        | 225.00                        | 1.35%                           |
| Mental Health                              | 199.80                        | 191.40                        | 47.00                         | 21.25                         | 21.25                         | -54.79%                         |
| Veterans Services                          | 1.00                          | 1.00                          | 1.00                          | 2.00                          | 2.00                          | 100.00%                         |
| <b>TOTAL</b>                               | <b>539.70</b>                 | <b>533.10</b>                 | <b>388.30</b>                 | <b>371.85</b>                 | <b>372.85</b>                 | <b>-3.98%</b>                   |
| <b>GRAND TOTAL</b>                         | <b>1,016.40</b>               | <b>1,014.80</b>               | <b>886.90</b>                 | <b>893.95</b>                 | <b>876.45</b>                 | <b>-1.18%</b>                   |

Note: This chart is based on authorized Full Time Equivalent (FTE) positions.

\* State and Federal Grants are subject to funding availability.

Net decrease for FY 06-07 reflects FTE reductions in Mental Health of 25.75 positions, Health .20, State Grants 1.00 and Engineering 1.00; 17.50 new FTEs were authorized.

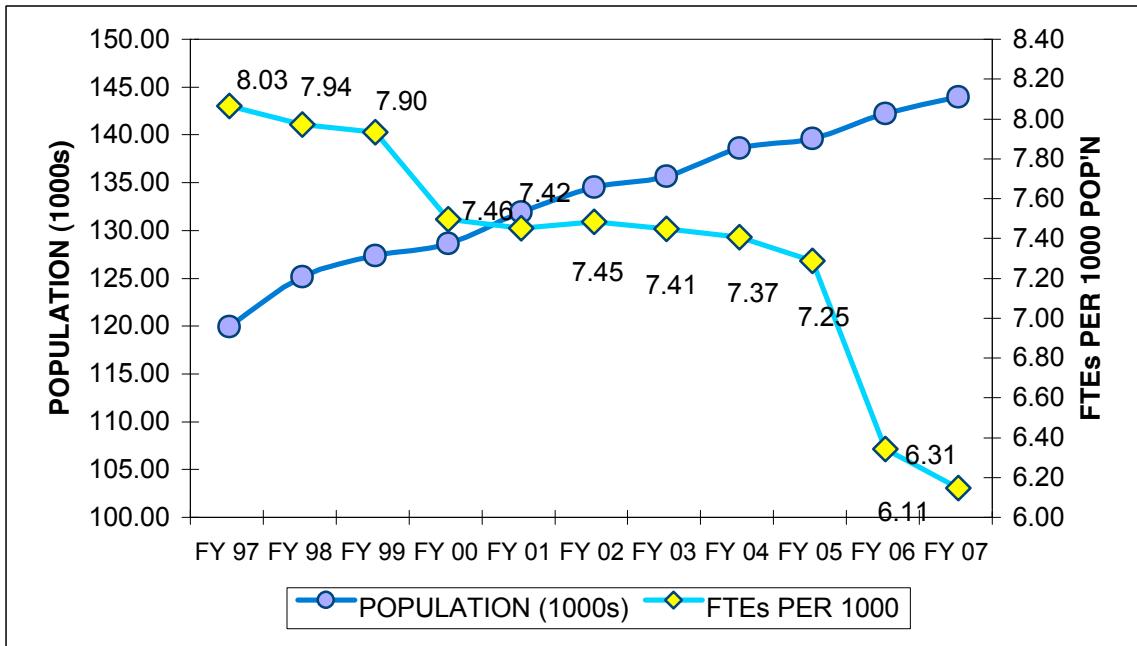
## **HUMAN RESOURCES SUMMARY**

### **POSITION CHANGES FY 2006-07**

| <b><i>Department</i></b>       | <b><i>Title</i></b>   | <b><i>Pay Grade</i></b>          | <b><i>Funding Sources</i></b>  | <b><i>Adopted</i></b>                                    |
|--------------------------------|---|----------------------------------|--|--|
| <b>Buildings &amp; Grounds</b> | Maintenance Assistant   | 58                               | General Fund   | <b>1.00</b>  |
| <b>Animal &amp; Mosquito</b>   | Deputy/Animal Control Officer   | 61                               | General Fund   | <b>0.00</b>  |
|                                | * Share existing Deputy at Solid Waste: .25 moved to General Fund, no change to total County FTE count  |                                  |  |  |
| <b>Veteran Services</b>        | Assistant Veteran Service Officer   | 59                               | General Fund   | <b>1.00</b>  |
| <b>GIS</b>                     | Database Analyst  | 77                               | General Fund   | <b>1.00</b>  |
| <b>Sheriff</b>                 | Deputy (proposed at Step 9)<br>Project Safe Neighborhood Coordinator (former grant)   | 64<br>65                         | General Fund<br>General Fund   | <b>1.00<br/>1.00</b>                                     |
| <b>Sheriff-Detention</b>       | Transportation Sgt (proposed at Step 5)<br>Classification Officer (proposed at Step 5)<br>Accounting Technician III (proposed at Step 5)<br>Maintenance Mechanic (proposed at Step 5)   | 68<br>62<br>63<br>64             | General Fund<br>General Fund<br>General Fund<br>General Fund   | <b>1.00<br/>1.00<br/>1.00<br/>1.00</b>                   |
| <b>Social Services</b>         | Income Maintenance Case Worker III<br>Social Worker II (Adult Case Mgt)<br>Social Worker II (Guardianship)  | 65<br>67<br>67                   | Medicaid<br>Medicaid & Block Grant<br>Medicaid & Block Grant   | <b>1.00<br/>1.00<br/>1.00</b>                            |
| <b>Public Health</b>           | Foreign Language Interpreter II (Family Plng)<br>Foreign Language Interpreter II (WIC)<br>Environmental Health Specialist (On-Site Wastewtr)<br>Environmental Health Specialist (Food,Lodging,Lead))<br>Office Assistant III (Environ Hlth)<br>Processing Assistant III | 63<br>63<br>69<br>69<br>57<br>57 | Reduce contractors<br>Reduce contractors<br>General Fund<br>General Fund<br>General Fund<br>General Fund | <b>1.00<br/>1.00<br/>2.00<br/>1.00<br/>0.50<br/>1.00</b> |
| <b>Total New Positions</b>     |   |                                  |  | <b>18.50</b>   |

## **HUMAN RESOURCES SUMMARY**

### **PITT COUNTY FULL TIME EQUIVALENT POSITIONS PER 1000 POPULATION**

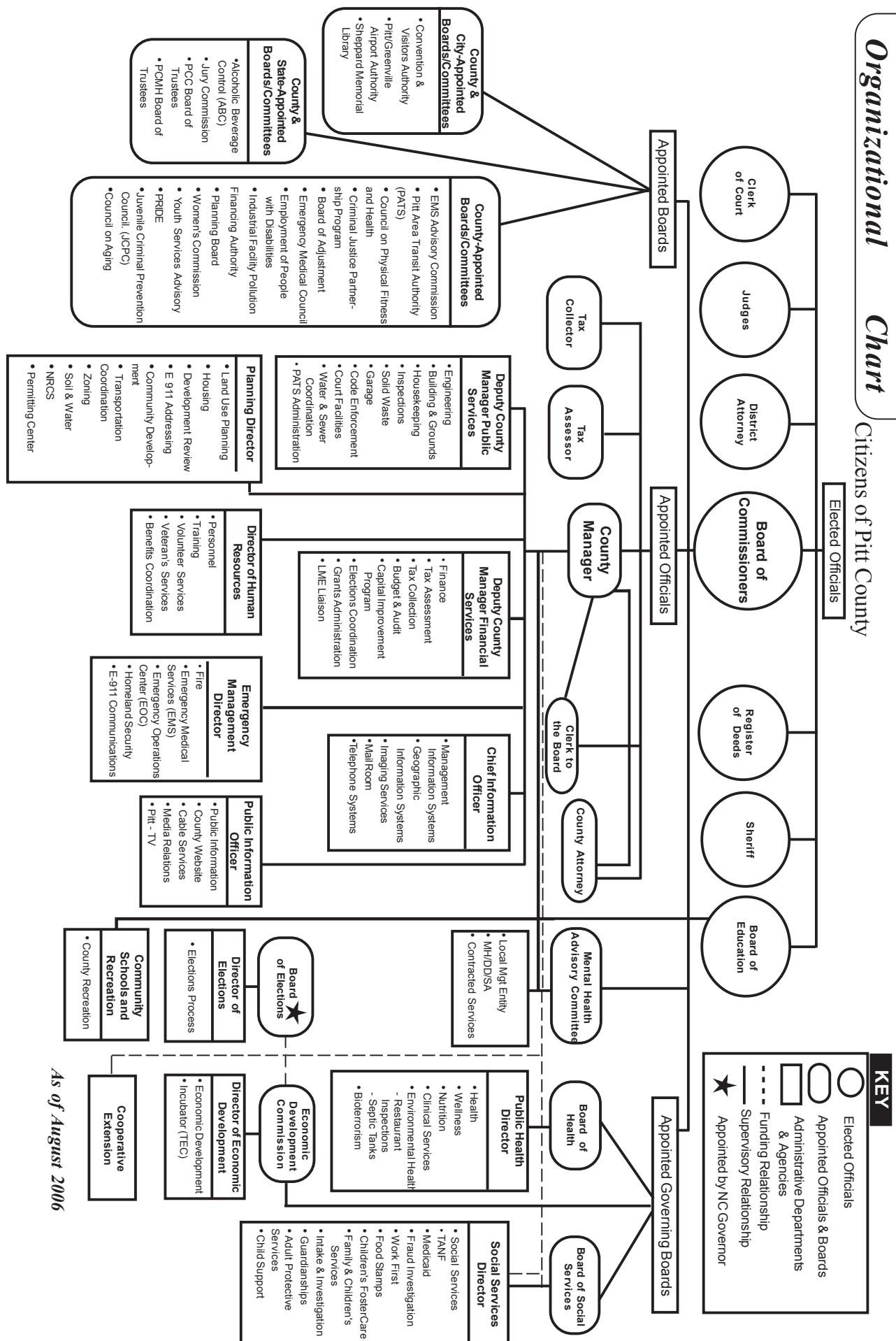


| Fiscal Year   | 1997-98 | 1998-99 | 1999-00 | 2000-01 | 2001-02 | 2002-03 | 2003-04 | 2004-05 | 2005-06 | 2006-07 |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| FTE Positions | 987.56  | 1000.21 | 954.25  | 977.2   | 996.45  | 1000.2  | 1016.4  | 1007.8  | 892.85  | 876.45  |
| Population    | 124,411 | 126,643 | 127,879 | 131,166 | 133,798 | 134,936 | 137,901 | 138,922 | 141,499 | 143,212 |

As the graph above indicates, the growth in County population has increased steadily and is projected to continue at a similar rate. However, over the past several years the number of County positions (employees) per 1000 population has decreased. A major factor in FY 2006-07 is the divestiture of Mental Health services to the private sector.

# Pitt County Government

Citizens of Pitt County



As of August 2006

## **GLOSSARY**

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**Account Number** - the accounting designation for revenue and expenditure line items. The account number consists of a two digit fund number, a three digit division and a five digit sub-account number.

**Accrual Basis** - a basis of accounting in which transactions are recognized at the time they are incurred, as opposed to when cash is received or spent.

**Ad Valorem Taxes** - commonly referred to as property taxes, are levied on both real and personal property according to the property's valuation and the tax rate.

**Allocate** - to set apart budgeted funds for specific purposes (i.e., capital outlay).

**Annual Budget** - a budget covering a single fiscal year (e.g., July 1-June 30).

**Appropriation** - the amount of money earmarked for a projected expense legally authorized by the Board of Commissioners.

**Assessed Valuation** - the value of real estate and personal property as determined by tax assessors. This value is used as the basis for levying taxes.

**Assessment** - the process of determining value of real and personal property for taxation purposes.

**Assessment Role** - an official list of real and personal property containing legal descriptions, ownership, and assessed values.

**Asset** - a resource owned or held by a government which has monetary value.

**Authority** - a municipal or other public agency that performs a specific function. An authority is usually financed from fees or service charges imposed and collected by a governing body, but may otherwise function independently.

**Authorized Bonds** - bonds that have been legally authorized, but that may or may not have been sold. Authorized bonds may be issued or sold at any time.

**Authorized Positions** - employee positions which are authorized in the adopted budget, to be filled during the year.

**Balanced Budget** - current operating revenues will be sufficient to support current operating expenditures.

**Bond** - a written promise to pay a specific amount of money, plus interest, within a specific (usually long-term) time period. Bonds are primarily used to finance capital projects.

**Bond Refinancing** - the payoff and re-issuance of bonds, to obtain better interest rates and/or bond conditions.

**Budget** - financial plan containing projected expenditures and financial resources during a fiscal year.

**Budget Document** - a formal document presented to the Board of Commissioners containing the County's financial plan for a fiscal year. The budget document is presented in two phases - preliminary and final. The final budget document reflects the budget as adopted by the Board of Commissioners.

## **GLOSSARY**

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**Budget Message** - the County Manager's written overview of the proposed budget addressed to the Board of Commissioners. The budget message addresses the major budget items, and the County's present and expected financial condition.

**Budget Ordinance** - an ordinance enacted for the purpose of establishing an annual budget and establishing a tax rate.

**Budgetary Basis** - refers to the basis of accounting used to estimate financing sources and uses in the budget. This generally takes one of three forms: GAAP, cash, or modified accrual.

**CERT** - Community Emergency Response Team. An organized community group that works together to aid the community in times of emergency.

**CY** - Calendar Year. The period starting January 1 and ending December 31 annually.

**Capital Budget** - a financial plan for projected capital projects containing expenditures and resources covering a fiscal year.

**Capital Improvement Program (CIP)** - a long-range plan of proposed capital improvement projects, which includes estimated project costs and funding over a specified period of years. The capital improvement program is updated annually to reassess capital needs during the preparation of the capital budget.

**Capital Outlay** - expenditures budgeted to purchase or add to fixed assets costing \$500 or more.

**Capital Project** - major construction, acquisition, or renovation activities which add value to a government's physical assets or significantly increase their useful life. (Also called capital improvements.)

**Capital Reserve Fund** - a fund established for the purpose of receiving transfers of monies from other funds in order to build fund balance for a future capital outlay or to set aside funds for future debt service payments.

**Certificates of Participation** - debt secured by capital project/ issued without voter authorization.

**Consumer Price Index (CPI)** - a statistical description of price levels provided by the U.S. Department of Labor. The index is used as a measure of the increase in the cost of living (i.e., economic inflation).

**Contingency** - an appropriation to cover unanticipated events that may occur during the fiscal year. Transfers for this account must be approved by the Board of Commissioners.

**Continuation** - budget requests that indicate the spending level required to maintain service provision at its current level.

**Cost-of-living Adjustment (COLA)** - an increase in salaries to offset the adverse effect of inflation on employees' compensation.

**County Appropriation** - reflects discretionary general fund revenues used to meet an operating department's cost. Most revenues in the general fund are not program linked and can be used to fund all operations. Several examples are: Ad Valorem Taxes, Sales Taxes, Unrestricted Intergovernmental and Interest Earnings.

## **GLOSSARY**

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**DMV** - Division of Motor Vehicles. A division of State government that handles licensing of motor vehicles.

**DSS** - Department of Social Services. The department of the County that handles social service issues.

**Debt Service** - payment of interest and repayment of principal to holders of a government's debt instruments (bonds and loans).

**Deficit** - the excess of expenditures or expenses over revenues during an accounting period.

**Department** - a basic organizational unit of the County which is functionally unique in its delivery of services with possibly one or more divisions.

**Depreciation** - the expiration of service life of capital assets due to wear and tear, deterioration, inadequacy or obsolescence.

**Disbursement** - expenditure of monies from an account.

**Distinguished Budget Presentation Awards Program** - a voluntary, annual awards program administered by the Government Finance Offices Association to encourage governments to prepare effective budget documents.

**ECU** – East Carolina University. A public university located in Greenville offering undergraduate, graduate and doctorate degree programs.

**EOP** - Emergency Operations Plan. An internal plan that serves as a guide in event of emergency.

**Encumbrances** - a financial commitment for services, contracts, or goods which have not, as yet, been delivered or performed.

**Enterprise Fund** - a fund that accounts for operations that are financed from user charges and whose operation resembles a business (e.g., the Utility, Utility District and Landfill Funds).

**Expenditures** - the payment of cash for the purpose of acquiring an asset, service, or settling a loss.

**Expense** - charges incurred (whether paid immediately or unpaid) for operations, maintenance, interest, or other charges.

**FY** - Fiscal Year. A 12-month accounting period. For Pitt County, the fiscal year is July 1 - June 30.

**Fiscal Year** - a 12-month period (July 1 - June 30 for Pitt County) to which the annual operating budget applies, and at the end of which an assessment is made of the county's financial condition and the performance of its operations.

**Fixed Asset** - assets of long-term character than are intended to continue to be held or used, such as land, building, machinery, furniture, and other equipment.

**Forecast** - an estimation of revenues and expenses for the current fiscal year to be used to determine the expected balances at the end of the year.

**Full-time Equivalent Position (FTE)** - the unit of accounting for employee positions where part-time positions are converted to the decimal equivalent of a full-time position based on 2,080 hours per year.

## **GLOSSARY**

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**Fund** - an accounting entity created to record the financial activity for a selected financial grouping. A fund is set up to carry out a special function or to attain certain objectives in accordance with set laws or regulations.

**Fund Balance** – amounts shown as fund balance represent monies which remain unspent after all budgeted expenditures have been made. North Carolina statutes dictate that a portion of fund balance should be retained and not made available for appropriation in the following fiscal year.

**GAAP** - Generally Accepted Accounting Principles. Uniform minimum standards for financial accounting and recording, encompassing the conventions, rules, and procedures that define accepted accounting principles.

**GIS** - Geographic Information Systems. A division of County government that integrates spatial data with information systems to provide useful mapping and data information.

**GUC** - Greenville Utilities Commission. The public utility company that serves Greenville and much of Pitt County with electric, water, sewer and gas services.

**General Fund** - a fund which provides for the accounting of all financial resources except those designated for other funds. Most basic government services, such as public safety, tax administration, personnel and finance are accounted for in this fund.

**General Obligation Bonds** - bonds issued by a government that are backed by the full faith and credit of its taxing authority.

**Goal** - a statement of broad direction, purpose or intent based on the needs of the community.

**Grants** - contributions or gifts of cash or other assets, in most cases from another government, to be used for a specific purpose. For example, a grant from the State of North Carolina may be made to finance a public health program.

**Interest & Penalties Receivable on Taxes** - uncollected interest/penalties on property taxes.

**Interfund Accounts** - accounts that reflect transfers between funds.

**Intergovernmental Revenues** - revenues from other governments (state, federal, other local) that can be in the form of grants, shared revenues or entitlements.

**Internal Service Fund** - a fund used to account for the financing of goods or services provided by one department to other departments on a reimbursement basis.

**LME** - Local Management Entity. Under State reform of Mental Health, this term describes the function of the Mental Health Departments to serve as managers of care rather than providers of the services.

**Lease-Purchase Agreement** - a contractual agreement by which capital assets are acquired over a period of time through lease payments.

**Levy** - taxes, service charges and assessments imposed to support government activities.

**Line Items** - units of budgeted expense set up within each division used to classify expenditures by item or category and establish the permissible level of expenditure for that item.

## **GLOSSARY**

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**Long-term Debt** - debt with a maturity of more than one year after the date of issuance.

**MIS** - Management Information Systems. The department of County government in charge of technology support systems such as computers, applications, and telephones

**Modified Accrual** - the accounting basis used by the County. Under this basis, expenditures are recognized when encumbered and revenues are recognized when they are collected.

**Municipal Bond** - a bond issued by a state or local government.

**NCACC** - North Carolina Association of County Commissioners. A professional organization serving county governments across North Carolina.

**Nonoperating Revenues** - revenues that are generated from other sources (e.g., interest) and that are not directly related to service activities.

**OSHA** - Occupational Safety and Health Administration. A governmental agency that focuses on the health and safety of American workers by setting and enforcing standards, educating, and training.

**Objective** - something to be accomplished in specific, well-defined, and measurable terms, and that is achievable within a specific time frame.

**Operating Budget** - a plan of financial operation which encompasses an estimate of proposed expenditures for the calendar year and the proposed means of financing them (revenues).

**Ordinance** - a legislative enactment by the governing body of the County. It has the full force of law within the County if it is not in conflict with any higher form of law.

**PC** - Personal computer. Microcomputer. A computer that uses a microprocessor to handle information.

**PCC** - Pitt Community College. A comprehensive two-year college located on NC 11 South in Greenville.

**PCMH** - Pitt County Memorial Hospital. A 740-bed private, not-for-profit acute care hospital located in Greenville.

**PEP** - Partners for Effective Performance. Refers to Pitt County's evaluation process and performance measurement tool.

**Performance Indicators** - specific quantitative and qualitative measures of work performed as an objective of specific departments or programs.

**Performance Measure** - data collected to determine how effective or efficient a program is in achieving its objectives.

**Personal Services** - expenditures for salaries, wages, and fringe benefits of a government's employees.

**Productivity** - maximizing the use of resources (personnel and dollars) to achieve an effective result at the least possible cost.

**Program** - a service or services for which expenditures are made from several general ledger accounts which are combined into a single budgetary unit.

## **GLOSSARY**

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**Program Changes** - budget requests that reflect funding requirements for a change in programs or service levels.

**Proprietary Funds** - funds operated like a business and charging user fees. Enterprise and Internal Service Funds fall within this classification.

**Referendum** - presenting an issue to the voters of the County where a majority of voters decide on the issue.

**Reserve** - an account designated for a portion of the fund balance to be used for a specific purpose.

**Resources** - total dollars available for appropriations including estimated revenues, fund transfers and beginning fund balances.

**Revenue** - income received by the County from various sources used to finance its operations.

**Revenue Bonds** - when a government issues bonds which do not pledge the full faith and credit of the jurisdiction, it issues limited liability revenue bonds. Typically, pledges are made to dedicate one specific revenue source to repay these bonds. Revenue bonds do not require voter approval under state law.

**Revenue Estimates** - formal estimate of how much revenue will be earned from a specific revenue source from some future period.

**Shared Revenues** - revenues levied and collected by one government and shared with another on a pre-determined basis.

**Service Area** - a title for the grouping of departments according to common areas of service.

**Special Assessment** - a levy on certain properties to defray all or part of the costs associated with improvements or services that will benefit those properties.

**Special Revenue Funds** - to account for specific sources of revenue such as gas taxes or building permit fees that are legally restricted for expenditures of specific purposes.

**Sub-Account** - a level of budgeting which identifies a specific line of work performed in carrying out a budgeted activity.

**Tax Base** - the total assessed valuation of real property within the County.

**Tax Levy** - the total amount of revenue to be raised from the property tax levied in the budget ordinance.

**Tax Rate** - the amount of tax levied per \$100 assessed valuation.

**Taxes** - compulsory charges levied by a government for the purpose of financing services performed for the common benefit of the people.

**Transfers In/Out** - amounts transferred from one fund to another to assist in financing the services for the recipient fund.

**Trust Funds** - to account for cash set aside in a trustee capacity such as donations for certain programs.

## **GLOSSARY**

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**Two-Thirds Bond** - general obligation bonds that can be issued by local government without voter authorization under a formula set by the state allowing issuance of bonds equal to two-thirds of the previous year's net debt reduction.

**Unencumbered Balance** - the amount of an appropriation that is neither expended nor encumbered. It is basically the amount of money still available for future purposes.

**Unreserved Fund Balance** - the portion of a fund's balance that is not restricted for a specific purpose and is available for general appropriation.

**User Charges** - the payment of a fee for direct receipt of a public service by the person benefiting from the service, such as utility charges and emergency medical fees. Also known as user fees.

## **PITT COUNTY DEPARTMENT CONTACTS**

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| <b>Office / Department</b>   | <b>Location (in Greenville, NC)</b>                       | <b>Phone</b> | <b>Fax</b> |
|--|---|--------------|------------|
| <b>Contact</b>   | <b>Email</b>  |              |            |
| <b>Animal &amp; Mosquito Control</b><br>Michele Whaley, Director                       | 4550 County Home Road                                     | 355-7879     | 355-6846   |
| <b>Buildings and Grounds</b><br>Mike Rogers, Superintendent of Buildings & Grounds     | 1212 New Hope Road  | 830-6383     | 830-2596   |
| <b>Clerk to the Board</b><br>Patricia A. Staton, Clerk                                 | 1717 West Fifth Street<br>pittboardclerk@pittcountync.gov | 902-2950     | 830-6311   |
| <b>Communications - E-911</b><br>Sam Tyson, Communications Manager                     | 1717 West Fifth Street                                    | 902-2600     | 830-4630   |
| <b>Cooperative Extension</b><br>Mitch Smith, Director                                  | 403 Government Circle                                     | 902-1700     | 757-1456   |
| <b>County Attorney / Legal</b><br>JoAnne Burgdorff, Attorney                           | 1717 West Fifth Street<br>pittlegal@pittcountync.gov      | 902-3100     | 830-2585   |
| <b>County Manager</b><br>D. Scott Elliott, Manager                                     | 1717 West Fifth Street                                    | 902-2950     | 830-6311   |
| <b>Detention Center</b><br>Lawrence Whaley, Director                                   | 124 New Hope Road   | 902-2850     | 830-4628   |
| <b>Elections, Board of</b><br>Steve Hines, Director                                    | 201 E. 2nd Street<br>pittelections@pittcountync.gov       | 902-3300     | 830-1157   |
| <b>Emergency Services</b><br>Noel Lee, Director  | 1717 West Fifth Street                                    | 902-3950     | 830-6348   |
| <b>Engineering</b><br>Phil Dickerson, Deputy County Manager - Public Services          | 1717 West Fifth Street                                    | 902-3150     | 830-4974   |
| <b>Financial Services</b><br>Melonie Bryan, Deputy County Manager - Financial Services | 1717 West Fifth Street<br>pittfinance@pittcountync.gov    | 902-3000     | 830-6380   |
| <b>Human Resources</b><br>Florida D. Hardy, Director                                   | 1717 West Fifth Street<br>pitthr@pittcountync.gov         | 902-3050     | 830-2559   |
| <b>Industrial Development Commission</b><br>Wanda Yuhas, Executive Director            | 111 S. Washington Street<br>pittedc@pittcountync.gov      | 758-1989     | 758-0128   |

## **PITT COUNTY DEPARTMENT CONTACTS**

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| <b>Office / Department</b>  | <b>Location (in Greenville, NC)</b>                           | <b>Phone</b> | <b>Fax</b> |
|---|---|--------------|------------|
| <b>Contact</b>  | <b>Email</b>  |              |            |
| <b>Inspections</b><br>Billy Grizzard, Chief Code Inspector                      | 1717 West Fifth Street<br>pittinspections@pittcountync.gov    | 902-3150     | 830-4974   |
| <b>Management Information Systems</b><br>Michael Taylor, Director               | 1717 West Fifth Street<br>pittmis@pittcountync.gov            | 902-3800     | 830-6361   |
| <b>Mental Health</b>  | 203 Government Circle<br>pittmentalhealth@pittcountync.gov    | 413-1600     | 413-1606   |
| <b>Planning</b><br>James Rhodes, Director                                       | 1717 West Fifth Street<br>pittplanning@pittcountync.gov       | 902-3250     | 830-2576   |
| <b>Public Health</b><br>Dr. John Morrow, Director                               | 201 Government Circle<br>pitthealth@pittcountync.gov          | 902-2300     | 413-1446   |
| <b>Public Information</b><br>Thomas Lynch, Public Information Officer           | 1717 West Fifth Street<br>pittinfo@pittcountync.gov           | 902-2955     | 830-6311   |
| <b>Register of Deeds</b><br>Judy Tart, Register of Deeds                        | Pitt County Courthouse<br>100 West Third Street               | 902-1650     | 830-4132   |
| <b>Sheriff</b><br>Mac Manning, Sheriff  | Pitt County Courthouse<br>100 West Third Street               | 902-2800     | 830-4166   |
| <b>Social Services</b><br>George Perry, Director                                | 1717 West Fifth Street  | 902-1110     | 413-1252   |
| <b>Solid Waste &amp; Recycling</b><br>Nathan Pipkin, Director                   | 3025 Landfill Road  | 902-3350     | 830-4690   |
| <b>Soil and Water Conservation</b><br><br>Bryan Evans, District Conservationist | 203 Government Circle   | 752-2720     | 752-5595   |
| <b>Tax Assessor</b><br>Glenn Cutrell, Tax Assessor                              | 110 S. Evans Street<br>pitttaxassessor@pittcountync.gov       | 902-3400     | 830-0753   |
| <b>Tax Collector</b><br>Jeff Niebauer, Tax Collector                            | 111 S. Washington Street<br>pitttaxcollector@pittcountync.gov | 902-3425     | 830-1935   |

**Area Code (252)**

| <b>Office / Department</b>        | <b>Phone</b>    |
|-----------------------------------|-----------------|
| <b>General Information</b>        | <b>902-1000</b> |
| Animal Control                    | 355-7879        |
| Buildings and Grounds             | 830-6383        |
| Clerk to the Board                | 902-2950        |
| Communications - E-911            | 902-2600        |
| Cooperative Extension             | 902-1700        |
| County Attorney / Legal           | 902-3100        |
| County Manager                    | 902-2950        |
| Detention Center                  | 902-2850        |
| Elections, Board of               | 902-3300        |
| Emergency Services                | 902-3950        |
| Engineering                       | 902-3150        |
| Environmental Health              | 902-3200        |
| Farmers Market                    | 355-7612        |
| Financial Services                | 902-3000        |
| Human Resources                   | 902-3050        |
| Industrial Development Commission | 758-1989        |
| Inspections                       | 902-3150        |
| Management Information Systems    | 902-3800        |
| Mental Health                     | 413-1600        |
| Planning                          | 902-3250        |
| Public Health                     | 902-2300        |
| Public Information                | 902-2955        |
| Register of Deeds                 | 902-1650        |
| Sheriff's Department              | 902-2800        |
| Social Services                   | 902-1110        |
| Solid Waste & Recycling           | 902-3350        |
| Soil and Water Conservation       | 752-2720        |
| Tax Assessor                      | 902-3400        |
| Tax Collector                     | 902-3425        |
| Veterans Affairs                  | 830-6395        |

## **COMMUNITY PROFILE**

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### **Government**

|                            |                    |
|----------------------------|--------------------|
| Date of Incorporation      | 1760               |
| Form of Government         | Commission-Manager |
| County Seat                | Greenville, NC     |
| Number of County Employees | 876.45             |

### **Area Statistics**

|   |         |
|---|---------|
| Population (July 04 Provisional Estimate) | 143,212 |
| Area in Square Miles                      | 656.52  |

### **Taxes**

|   |      |
|---|------|
| NC Retail Sales Tax                           | 4.5% |
| Pitt County Local Sales Tax                   | 2.5% |
| Pitt County Property Tax Rate Per \$100 Value | 0.70 |

### **Climate**

|                              |         |
|------------------------------|---------|
| Average Maximum Temperature  | 73 F    |
| Average Minimum Temperature  | 50 F    |
| Average Annual Precipitation | 46.32 " |

### **Economic Indicators**

|  |                  |
|--|------------------|
| Population Increase (between 1990 and 2000)            | 23.3%            |
| Population Projection for April 2010 (as of June 2004) | 154,056          |
| Labor Force Expansion (1990-2000)                      | 15.7%            |
| Employment Increase (1990-2000)                        | 15.0%            |
| Unemployment (2004)                                    | 5.7%             |
| Median Family Income (2003)                            | \$49,800         |
| Retail Sales (Fiscal Year Ended June 2004)             | \$2.15 billion   |
| Retail Sales Increase (FY 2004 over FY 2003)           | 12.2%            |
| Construction Activity (2000)                           | \$129.14 million |

## **COMMUNITY PROFILE**

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### **Major Employers**

|                                |       |
|--------------------------------|-------|
| Pitt County Memorial Hospital  | 6,134 |
| East Carolina University       | 4,184 |
| Pitt County Public Schools     | 2,963 |
| NACCO Materials Handling Group | 1,200 |
| DSM Pharmaceuticals            | 1,000 |
| County of Pitt                 | 876   |
| Pitt Community College         | 815   |
| City of Greenville             | 652   |
| Collins & Aikman               | 600   |
| Alliance One International     | 500   |

### **Transportation**

|                                     |       |
|-------------------------------------|-------|
| Miles of Streets - Public & Private | 1,700 |
| Airports (Pitt-Greenville (PGV))    | 1     |
| Norfolk Southern Railway            |       |
| Major 4-Lane Highways               |       |

### **Culture & Recreation**

|   |         |
|---|---------|
| Library Facilities                      | 9       |
| Bookmobiles                             | 1       |
| Book Circulation (Sheppard System Only) | 409,184 |
| Number of Books (Sheppard System Only)  | 249,878 |
| Parks                                   | 28      |
| Park Acreage                            | 1,300   |
| Golf Courses - Public & Private         | 7       |
| Swimming Pools                          | 2       |
| Tennis Courts                           | 24      |

### **Education**

|   |       |
|---|-------|
| Number of Public School Systems             | 1     |
| Number of School Instructors                | 1,700 |
| Number of Elementary Schools                | 29    |
| Number of Secondary Schools                 | 6     |
| Community Colleges (Pitt Community College) | 1     |
| Universities (East Carolina University)     | 1     |

### **Medical**

|   |   |
|---|---|
| Number of Hospitals (Pitt County Memorial Hospital) | 1 |
|---|---|

## **COMMUNITY PROFILE**

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|                        |     |
|------------------------|-----|
| Number of Patient Beds | 745 |
|------------------------|-----|

### **Fire Protection & EMS Services (Non-Municipal)**

|  |                      |
|--|----------------------|
| Number of Stations                                 | 30 (20 Fire, 10 EMS) |
| Fire & EMS Personnel (Officers, Volunteer, & Paid) | 1,105                |
| Fire & EMS Calls Answered                          | 11,400               |
| Number of Fire Inspections Conducted               | 540                  |

### **Law Enforcement (Sheriff & Detention)**

|  |        |
|--|--------|
| Number of Stations                           | 1      |
| Number of Detention Centers                  | 1      |
| Number of Personnel and Officers - Sheriff   | 127    |
| Number of Personnel and Officers - Detention | 126    |
| Number of Patrol Units (Deputies)            | 64     |
| Number of Calls for Service (CY 2005)        | 19,388 |

### **Sources of Information**

Departments of Pitt County Government  
Sheppard Memorial Library (Reports only main and satellite branches)  
City of Greenville - Recreation & Parks (Reports City facilities only)  
Pitt County Board of Education  
Pitt County Memorial Hospital  
N. C. Department of Commerce  
Pitt County Development Commission



# **CAPITAL IMPROVEMENT PLAN**

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## **OVERVIEW**

The Capital Improvement Plan (CIP) is a ten-year plan that identifies the major capital needs of the County for the current year and the next nine years. The current year of the Plan includes existing multi-year projects that have been carried over from a previous year's approval and new projects that have been added and approved in concept by the Board of Commissioners. Capital projects are established by individual budget ordinance, therefore, inclusion in the forecasted plan does not initiate the project until the individual ordinance is adopted for official funding. Projects that have been identified but not approved or funded are carried on the "Unmet Capital Improvement Needs" section. The approved plan and unmet needs are reviewed annually to determine appropriate movement between the two.

Pitt County has many pressing needs for capital improvements. Projects included in the CIP and those on the Unmet Needs list are detailed in the following pages. The County anticipates paying for these projects by using current revenues, long term financing and grants. Various funding options have been considered to finance the larger projects including Certificates of Participation (COPS) and lease purchase agreements. Many small projects will be funded either by current revenues ("pay as you go") or lease purchase agreements.

## **RELATIONSHIP BETWEEN THE OPERATING BUDGET AND CAPITAL BUDGET**

The following descriptions explain the relationship of current year funded capital expenditures with Pitt County's operating budget:

Continuous Programs – Many of the items in the Capital Improvement Plan are continuous programs that require approximately the same funding annually. These projects are planned and budgeted within the annual operating budget and are implemented without additional staff or operating resources. These programs include the current annual projects of the Pitt County Schools and Pitt Community College and recurring economic development projects.

Community Schools & Recreation – Intergenerational Center & Park – The appropriation this year is for a grant match to develop park property at the Intergenerational Center which includes soccer fields, walking trails and softball fields. Development of the park is anticipated over three years. Since this Center and Park are a cooperative agreement between Pitt County Schools and the County, the arrangements for grounds maintenance of the new park have not been decided. However, it is anticipated that the County's Buildings and Grounds Department could absorb mowing and general grounds upkeep with minor increases to their operational budget.

Pitt County Schools – A bond issue for school construction is anticipated for early 2007. The project list includes additional classroom space at 5 existing facilities and a new Pre K-5 school. Little impact to current operating costs are anticipated from the expansions. However, it is anticipated that \$300,000 in new annual current expense funding will be required in FY 08-09 to open the new school and both the Board of County Commissioners and the Pitt County Board of Education are planning for this impact. Debt Service costs will be covered by "freed capacity" when an existing department pays off in FY 06-07 and lottery proceeds.

Sheriff-Detention Center Bed Expansion – Plans are currently being drawn to expand our existing jail to ease future overcrowding issues. Debt service will be covered beginning in FY 08-09 with "freed capacity" created by pay-off of an existing debt issue in FY 07-08. Operating costs for the new space have already been developed and shared with the Board of County Commissioners so they can plan for coverage.

## **CAPITAL IMPROVEMENT PLAN**

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Solid Waste – Roll-off Truck and Transfer Station Improvements – These projects will continue the process begun in 2005-06 to improve the appearance of the County's drop-off convenience sites and will replace an aged piece of equipment. Funds exist within current operations to fund and no additional operating impact is expected.

Communications – Radio Console Upgrade – This project will upgrade our current E-911 equipment to current technology and extend the existing life 7-10 years – similar to that of new equipment. 100 percent of the cost is funded with current revenues and no additional annual operating impact is anticipated.

**PITT COUNTY**  
**CAPITAL IMPROVEMENT PLAN**

*Adopted*

**Estimates for Fiscal Year 2006-2007 through Fiscal Year 2015-16**

| PROJECTS  | Funding Source | FY 05-06<br>Adopted<br>Budget | FY 06-07<br>Budget<br>Year | YR 1                         | YR 2                         | YR 3                         | YR 4                         | YR 5                           | YRS 6-10         |
|---|----------------|-------------------------------|----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|--------------------------------|------------------|
|   |                |                               |                            | FY 07-08<br>Planning<br>Year | FY 08-09<br>Planning<br>Year | FY 09-10<br>Planning<br>Year | FY 10-11<br>Planning<br>Year | Future<br>Years'<br>Projection |                  |
| <b>APPROVED / RECURRING</b>                                       |                |                               |                            |                              |                              |                              |                              |                                |                  |
| Pitt County Schools - Current Annual Projects                     | C              | 750,000                       | 750,000                    | 750,000                      | 750,000                      | 750,000                      | 750,000                      | 750,000                        | 3,750,000        |
| PCC - Current Annual Projects                                     | C              | 75,000                        | 75,000                     | 75,000                       | 75,000                       | 75,000                       | 75,000                       | 75,000                         | 375,000          |
| Economic Development Projects @ Pitt County Schools               | C,O            | 658,438                       | 625,592                    | 613,438                      | 313,438                      | 313,438                      | 313,438                      | 313,438                        | TBD              |
| Sheriff - Detention Center Bed Expansion                          | COP            | 0                             | 27,000,000                 | 0                            | 0                            | 0                            | 0                            | 0                              | 0                |
| Comm Schls & Rec - Park Development                               | C, G           | 167,000                       | 600,000                    | 233,000                      | 0                            | 0                            | 0                            | 0                              | 0                |
| Communications - Radio Console Upgrade                            | C              | 0                             | 130,000                    | 0                            | 0                            | 0                            | 0                            | 0                              | 0                |
| Solid Waste - Roll-off Truck                                      | O              | 0                             | 100,000                    | 0                            | 0                            | 0                            | 0                            | 0                              | 0                |
| Solid Waste - Transfer Station Repairs/Paving                     | O              | 0                             | 100,000                    | 0                            | 0                            | 0                            | 0                            | 0                              | 0                |
| Pitt County Schools - Roofing                                     | C              | 100,000                       | 0                          | 0                            | 0                            | 0                            | 0                            | 0                              | 0                |
| B&G - Elevator Upgrades   | C              | 180,000                       | 0                          | 0                            | 0                            | 0                            | 0                            | 0                              | 0                |
| County Facilities - Energy Savings                                | S              | 2,600,000                     | 0                          | 0                            | 0                            | 0                            | 0                            | 0                              | 0                |
| Tax Assessor/Collector - Billing, Collections, Appraisal Software | C              | 350,000                       | 0                          | 0                            | 0                            | 0                            | 0                            | 0                              | 0                |
| <b>Subtotal</b>   |                | <b>4,880,438</b>              | <b>29,880,592</b>          | <b>21,171,438</b>            | <b>1,138,438</b>             | <b>1,138,438</b>             | <b>1,138,438</b>             | <b>1,138,438</b>               | <b>4,125,000</b> |
| <b>UNMET NEEDS</b>  |                |                               |                            |                              |                              |                              |                              |                                |                  |
| <i>Additional/Alternative Revenues Required</i>                   |                |                               |                            |                              |                              |                              |                              |                                |                  |
| <b>Facilities</b>   |                |                               |                            |                              |                              |                              |                              |                                |                  |
| Social Services Facility ++ (1)                                   | COP            | 0                             | 0                          | 0                            | 0                            | 0                            | 0                            | 0                              | 11,300,000       |
| County Administration Building ++                                 | COP            | 0                             | 0                          | 0                            | 0                            | 0                            | 0                            | 0                              | 21,000,000       |
| Sheriff - Storage & Garage at Detention Center ++                 | COP            | 0                             | 200,000                    | 0                            | 0                            | 0                            | 0                            | 0                              | 0                |
| Sheriff - Administration Office Bldg++                            | COP            | 0                             | 2,500,000                  | 0                            | 0                            | 0                            | 0                            | 0                              | 0                |
| Sheriff - Detention Ctr Control Room Upgrades++                   | COP            | 0                             | 260,000                    | 0                            | 0                            | 0                            | 0                            | 0                              | 0                |
| Building & Grounds - County Storage Building ++                   | COP            | 0                             | 300,000                    | 0                            | 300,000                      | 0                            | 0                            | 0                              | 0                |
| Comm Schls & Rec - Intergenerational Center & Park                | C/G/TBD        | 0                             | 0                          | 0                            | 2,000,000                    | 1,950,000                    | 0                            | 0                              | 0                |
| <b>Education</b>  |                |                               |                            |                              |                              |                              |                              |                                |                  |
| Pitt County Schools ++ (2004 update)                              | COP/TBD        | 0                             | 0                          | 59,934,733                   | 0                            | 0                            | 94,121,651                   | 19,513,605                     |                  |
| PCC-Multi-Phase Projects  | SB/TBD         | 0                             | 43,557,887                 | 19,912,125                   | 12,406,965                   | 5,954,127                    | 0                            | 0                              | 0                |
| <b>Public Safety</b>  |                |                               |                            |                              |                              |                              |                              |                                |                  |
| Communications Equipment - Sheriff                                | C/G            | 0                             | 850,000                    | 0                            | 0                            | 0                            | 0                            | 0                              | 0                |
| <b>Other Projects</b>   |                |                               |                            |                              |                              |                              |                              |                                |                  |
| Industrial Development - Technology Park                          | TBD            | 0                             | 0                          | 350,000                      | 5,150,000                    | 0                            | 0                            | 0                              | 0                |
| Register of Deeds (1)   | O              | 0                             | 0                          | 0                            | 0                            | 0                            | 250,000                      | 0                              | 0                |
| <b>ANNUAL TOTALS</b>  |                | <b>4,880,438</b>              | <b>77,548,479</b>          | <b>101,368,296</b>           | <b>20,995,403</b>            | <b>9,042,565</b>             | <b>95,510,089</b>            | <b>55,938,605</b>              |                  |

(1) Amount reflects maximum anticipated cost from projected range.

@ Woodridge Project has offsetting acreage fee revenues.

++ Could all be included in same bond package to save on issuance costs.

\* Funding source(s) to be determined pending legislative changes to E911 Surcharge Fees.

C = Current Funding   COP = Certificates of Participation   G = Grant   S = Savings Generated  
GO = General Obligation Bonds   SB = State Bond Funds   O = Other Funding Source   TBD = To Be Determined

**PITT COUNTY**  
**CAPITAL IMPROVEMENT REQUESTS**  
**January 2006**  
**Estimates for Fiscal Year 2006-2007 through Fiscal Year 2015-16**

| PROJECTS  | Funding Source | FY 05-06 Adopted Budget | YR 1                   | YR 2                   | YR 3                   | YR 4                   | YR 5                   | YRS 6-10                 |
|---|----------------|-------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|--------------------------|
|   |                |                         | FY 06-07 Planning Year | FY 07-08 Planning Year | FY 08-09 Planning Year | FY 09-10 Planning Year | FY 10-11 Planning Year | Future Years' Projection |
| <b>APPROVED / RECURRING</b>                                       |                |                         |                        |                        |                        |                        |                        |                          |
| Pitt County Schools - Current Annual Projects                     | C              | 750,000                 | 750,000                | 750,000                | 750,000                | 750,000                | 750,000                | 3,750,000                |
| PCC - Current Annual Projects                                     | C              | 75,000                  | 75,000                 | 75,000                 | 75,000                 | 75,000                 | 75,000                 | 375,000                  |
| Economic Development Projects @                                   | C,O            | 658,438                 | 625,592                | 613,438                | 313,438                | 313,438                | 313,438                | TBD                      |
| Comm Schls & Rec - Park Development                               | C, G           | 167,000                 | 600,000                | 233,000                | 0                      | 0                      | 0                      | 0                        |
| Pitt County Schools - Roofing                                     | C              | 100,000                 | 0                      | 0                      | 0                      | 0                      | 0                      | 0                        |
| B&G - Elevator Upgrades   | C              | 180,000                 | 0                      | 0                      | 0                      | 0                      | 0                      | 0                        |
| County Facilities - Energy Savings                                | S              | 2,600,000               | 0                      | 0                      | 0                      | 0                      | 0                      | 0                        |
| Tax Assessor/Collector - Billing, Collections, Appraisal Software | C              | 350,000                 | 0                      | 0                      | 0                      | 0                      | 0                      | 0                        |
| <b>Subtotal</b>   |                | <b>4,880,438</b>        | <b>2,050,592</b>       | <b>1,671,438</b>       | <b>1,138,438</b>       | <b>1,138,438</b>       | <b>1,138,438</b>       | <b>4,125,000</b>         |
| <b>UNMET NEEDS</b>  |                |                         |                        |                        |                        |                        |                        |                          |
| <i>Additional/Alternative Revenues Required</i>                   |                |                         |                        |                        |                        |                        |                        |                          |
| <b>Facilities</b>   |                |                         |                        |                        |                        |                        |                        |                          |
| Social Services Facility ++ (1)                                   | COP            | 0                       | 0                      | 0                      | 0                      | 0                      | 0                      | 11,300,000               |
| Sheriff - Detention Center Bed Expansion ++ (1)                   | TBD            | 0                       | 20,000,000             | 0                      | 0                      | 0                      | 0                      | 0                        |
| Sheriff - Storage & Garage at Detention Center ++                 | COP            | 0                       | 200,000                | 0                      | 0                      | 0                      | 0                      | 0                        |
| Sheriff - Administration Office Bldg++                            | COP            | 0                       | 2,500,000              | 0                      | 0                      | 0                      | 0                      | 0                        |
| Sheriff - Detention Ctr Control Room Upgrades++                   | COP            | 0                       | 260,000                | 0                      | 0                      | 0                      | 0                      | 0                        |
| Building & Grounds - County Storage Building ++                   | COP            | 0                       | 300,000                | 0                      | 300,000                | 0                      | 0                      | 0                        |
| Comm Schls & Rec - Intergenerational Center & Park                | C/G/TBD        | 0                       | 0                      | 0                      | 2,000,000              | 1,950,000              | 0                      | 0                        |
| <b>Education</b>  |                |                         |                        |                        |                        |                        |                        |                          |
| Pitt County Schools ++ (2004 update)                              | COP/TBD        | 0                       | 86,934,733             | 0                      | 0                      | 0                      | 94,121,651             | 19,513,605               |
| PCC-Multi-Phase Projects  | SB/TBD         | 0                       | 43,557,887             | 19,912,125             | 12,406,965             | 5,954,127              | 0                      | 0                        |
| <b>Public Safety</b>  |                |                         |                        |                        |                        |                        |                        |                          |
| Communications Equipment - Sheriff                                | C/G            | 0                       | 850,000                | 0                      | 0                      | 0                      | 0                      | 0                        |
| <b>Other Projects</b>   |                |                         |                        |                        |                        |                        |                        |                          |
| Industrial Development - Technology Park                          | TBD            | 0                       | 0                      | 350,000                | 5,150,000              | 0                      | 0                      | 0                        |
| Solid Waste - Roll-off Truck                                      | O              | 0                       | 110,000                | 0                      | 0                      | 0                      | 0                      | 0                        |
| Solid Waste - Transfer Station Repairs/Paving                     | O              | 0                       | 102,000                | 0                      | 0                      | 0                      | 0                      | 0                        |
| Register of Deeds (1)   | O              | 0                       | 0                      | 0                      | 0                      | 0                      | 250,000                | 0                        |
| <b>ANNUAL TOTALS</b>  |                | <b>4,880,438</b>        | <b>156,865,212</b>     | <b>21,933,563</b>      | <b>20,995,403</b>      | <b>9,042,565</b>       | <b>95,510,089</b>      | <b>34,938,605</b>        |

(1) Amount reflects maximum anticipated cost from projected range.

@ Woodridge Project has offsetting acreage fee revenues.

+Funded through combination of COPs, Co. Fund Bal, BOE Fund Bal, St Bonds and Child Nutrition Funds.

++ Could all be included in same bond package to save on issuance costs.

+++ Value of Firing Range reduced the cash requirement by approximately \$250K.

\* Funding source(s) to be determined pending legislative changes to E911 Surcharge Fees.