

**CARTERET COUNTY
NORTH CAROLINA**



**Annual Budget
Fiscal Year 2010**



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

Carteret County

North Carolina

For the Fiscal Year Beginning

July 1, 2008

President

Executive Director

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MISSION STATEMENT

The mission of the Carteret County Board of Commissioners is to enhance the future health, safety, and quality of life in our County by ensuring the delivery of superior services to all residents through courteous customer services, provided in a cost-effective and compassionate manner.

VISION

Carteret County Board of Commissioners promotes an “Over the Horizon” vision, which incorporates the implementation of:

- Better business practices
- Establishment of fiscal responsibility
- Protection of our natural resources and the environment
- Encouragement of economic development through expansion of physical infrastructure
- Promotion of commercial and recreational aquatic resources

Members of Carteret County Board of Commissioners

Doug Harris*
Chairman
Atlantic Beach, NC

Holt Faircloth*
Vice-Chair
Morehead City, NC

Pete Allen*
Emerald Isle, NC

Patrick Joyce*
Beaufort, NC

Gregory Lewis*
Morehead City, NC

Wade Nelms*
Newport, NC

Jonathan Robinson*
Atlantic, NC

County Officials

John Langdon
County Manager

Dee Meshaw
Assistant Co. Manager,
Finance & Administration

Jack Veit
Assistant Co. Manager,
Facilities

Asa Buck *
Sheriff

J.T. Garrett
Health Director

Betty Fentress
Interim Parks & Recreation
Director

Katrina Marshall
Planning and
Development Director

Myles McLoughlin
Human Resources
Director

Gavin Hutchins
Information Technology
Director

David Atkinson
Social Services Director

Carl Tilghman
Tax Administrator

Jo Ann Smith
Emergency Management Services Director

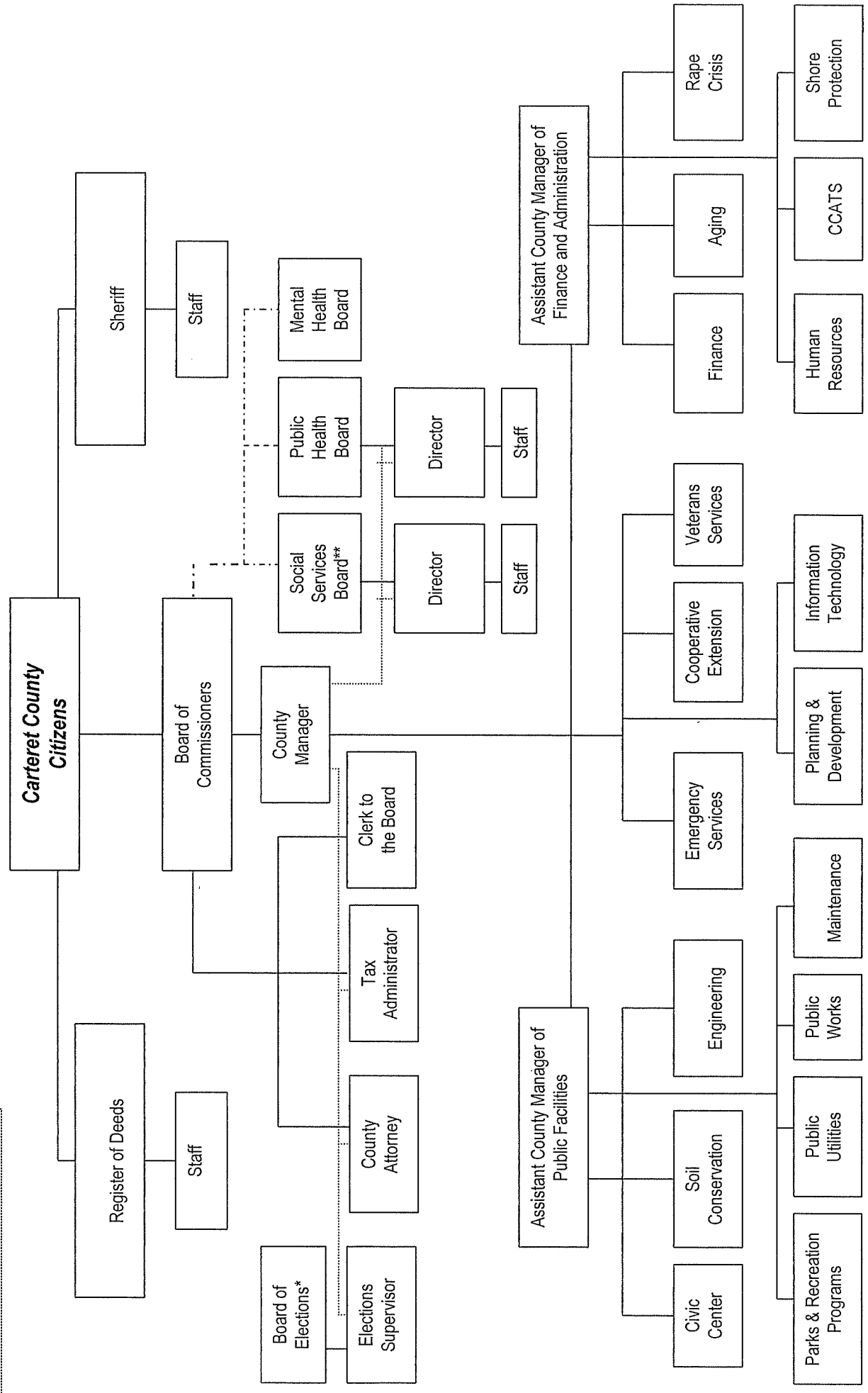
Joy Lawrence *
Register of Deeds Director

*Elected County Officials

*The State Board of Elections appoints the 3 member Board of Elections from names submitted by the state chairs of the Democratic and Republican Parties
 **The Commissioners appoint 2 members to the DSS Board; the North Carolina Social Services Commission appoints 2; the Carteret County DSS Board appoints the fifth member
 ***Director is state employee

Organizational Chart ~ Carteret County

--- Appointment Powers Only
 Direct Supervision
 ... Coordinates on Budget Issues



▪ **Carteret County Priorities
Fiscal Year 2009 – 2010**

The Carteret County Board of Commissioners engages in goal-setting each year. Goals were developed under each Focus Area.

1. Infrastructure
2. Financial Integrity
3. Growth/Development
4. Quality of Life
5. Government Operations

The following is a list of priorities set by the Board of Commissioners at the retreat on February 28, 2003. A point scale weighted each priority. Items 5 and 5a tied in weight, as well as items 8 and 8a.

1. Establish a fiscally responsible school system and accountable reporting of all appropriations to the school system
2. Continue to pursue aggressive tax collections
3. Establish an approach to work with state and federal officials to hear County issues
4. Work with NCDOT on transportation issues
5. Establish County-wide Fire & Rescue – EMS
6. Aggressively work with state, federal and local jurisdictions on beach nourishment issues
7. Establish an ongoing County maintenance/capital assets program
8. Support Carteret Community College and other entities in workforce development for Carteret County
9. Enhance access to waterways

Guide to Using the Fiscal Year 2010 Operating Budget

The following guideline may be helpful to the reader in finding specific information in the Operating Budget Document.

1. The document is arranged with the *Budget Message* at the front. The County Manager's transmittal letter provides a good introduction to the budget and the major revenue and expenditure issues are reflected in the 2010 fiscal year. A summary of information follows the budget message. A *summary of the budget* is included here, along with a description of the budget process, fund balances, staffing, and capital items.
2. Information in the middle part of the document is presented by fund type, and is contained behind the tabs marked "*General Fund*" and "Other Funds". The *General Fund* is the County's operating fund and accounts for the following functions:

- General Government
- Public Safety
- Transportation
- Environmental Protection
- Economic and Physical Development
- Human Services
- Education
- Cultural and Recreation
- Debt Service

3. The "*Other Funds*" include activities for the Special Revenue Funds, Capital Projects Funds, and Enterprise Funds.

Special Revenue Funds:

- E-911
- Salter Path Special Tax District Fund
- Fire Districts Fund
- Rescue Squad Districts Fund
- Occupancy Tax Fund

Capital Projects Funds:

- County Capital Reserve Fund
- County Capital Improvements Fund
- School Capital Fund

Enterprise Fund:

- Water Fund

Detailed material on departmental expenditures, narrative description of current programs and future plans, and goals are provided for each activity.

4. The Five Year Capital Improvement Plan is behind the "*Capital Improvement*" tab. It contains information about current capital projects and provides a schedule of projects for FY 10-15. A capital project is defined as one which cost over \$100,000 or more and has a useful life of more than 3 years. This section also provides summary information on current projects.
5. The *Appendix* contains information on a variety of topics, including the *budget ordinance*, demographic statistics, ten largest taxpayers, a glossary of terms, and adopted fiscal and budgetary policies.

Carteret County Profile

A Brief History of Early Carteret County

The shoreline of Carteret County extends seventy-five miles of the North Carolina coast with the sounds, bays, rivers, and creeks being protected from the sea by lengths of the Outer Banks. The earliest inhabitants were the Tuscarora Indians. The white men began settling in the area as early as the late 1600's. The bays and sounds offered safe refuge for ships overtaken by storms which provided a peaceful harbor, a location to repair storm damage with land nearby to fresh water and food. These seafarers soon discovered the amenities of beautiful Carteret County. The long seasons for growing, mild winters for outdoor work, forest with live oak for ships' ribs, lumber for ship building, and pine for turpentine, tar, and pitch. They also found an abundance of wildlife for food and fur trading.

Word traveled of the advantages of this coastal region and families, along with their supplies, began setting up self-sustaining plantations. Products of the forests and fields were traded for their needs. The settlers were mix of Huguenots, Germans, Scotch-Irish, French, English, and Quakers. The Scotch-Irish and Germans provided educational advantages and the Huguenots established themselves as ship owners and traders.

Whaling became an industry on the Outer Banks which brought fish into Beaufort to be salted and shipped. The main exports were lumber, shingles, stave, naval supplies, pork, tobacco, cotton, corn, rice and other products of the forests and fields.

In April of 1722 the Town of Beaufort was appointed as a port for the unloading and discharging vessels. Proceeds from the sale of lots for the town were, in part, designated to purchase great guns for fortifying the town. In that same year, on August 8th, Carteret Precinct was separated from Craven Precinct. The precinct was named Carteret in honor of John Carteret who was the grandson and heir of George Carteret. Sir George Carteret was named one of the eight Lord Proprietors of Carolina in 1668 by King Charles II.

Beaufort was designated as the County seat, a courthouse was erected and a jail was built a few years later. When court was in session the plantation owners came to town. When business transactions associated with the sea, ship building, and shipping, they were done so in the port town. So Beaufort grew. The plantation owners built town houses where they could carry on business, stay in town when court was in session, entertain visiting sea captains and voyagers, and live with their families during the hot, humid days of summer when the swamplands and marshes bred malaria-carrying mosquitoes. Beaufort became a center of activity ranking with Bath, Edenton, and Brunswick as one of the most important ports on the coast.

Today, Carteret County is one of the most rapidly growing counties in North Carolina. The County is located on the central coastline of North Carolina with over 60,000 residents living in or around municipalities and rural "Down East" maritime communities. Carteret County contains 526 square miles of land area and a coastline of nearly 80 miles and is called the "Crystal Coast". The County is geographically the southern most portion of the famed Outer Banks, bordered on the north by the Pamlico Sound and on the east and south by the Atlantic Ocean. The western and northwestern boundaries at Onslow County and Craven County can only be reached by crossing the White Oak River, Cherry Branch, or Intracoastal Waterway which divides the county as it goes south from the Neuse River to Bogue Sound and Beaufort Inlet. This region of forest, farmland, barrier islands, and marshes are jig sawed by river inlets, bays and sounds, has an average elevation of twelve feet above sea level. The weather is mild in Carteret County with an average annual temperature of 64 and relative humidity of 75 percent. The average rainfall is 46.45 inches. Eleven municipalities are located within the county, and Morehead City is the largest. Beaufort, the third oldest town in North Carolina, serves as the county seat. Carteret County has established itself as a premiere vacation spot, with attractions such as Fort Macon State Park, North Carolina Aquarium, North Carolina Maritime Museum, and Cape Lookout National Seashore. Tourism in Carteret County has an estimated economic impact of \$250 million annually.

Government Structure

The County is governed by a board of commissioners (the “Board”). The Board consists of seven members who are elected at large by districts and serve staggered four year terms. Partisan elections for the Board are held in November of every other year. The Board takes office the first Monday in December following the November elections. At that time, the Board elects a chairman and vice-chairman from among its members.

The major duties of the Board include assessing priorities on the needs of the County and establishing programs and services to meet those needs, adopting an annual balanced budget, establishing the annual property tax rate, appointing various officials, including members of County boards and commissions and some County employees, regulating land use and zoning outside the jurisdiction of municipalities enacting local ordinance, and adopting policies concerning the operation of the County. The Board also has the authority to call bond referendums, enter into contracts, and establish new programs.

Carteret County Coat of Arms

Description

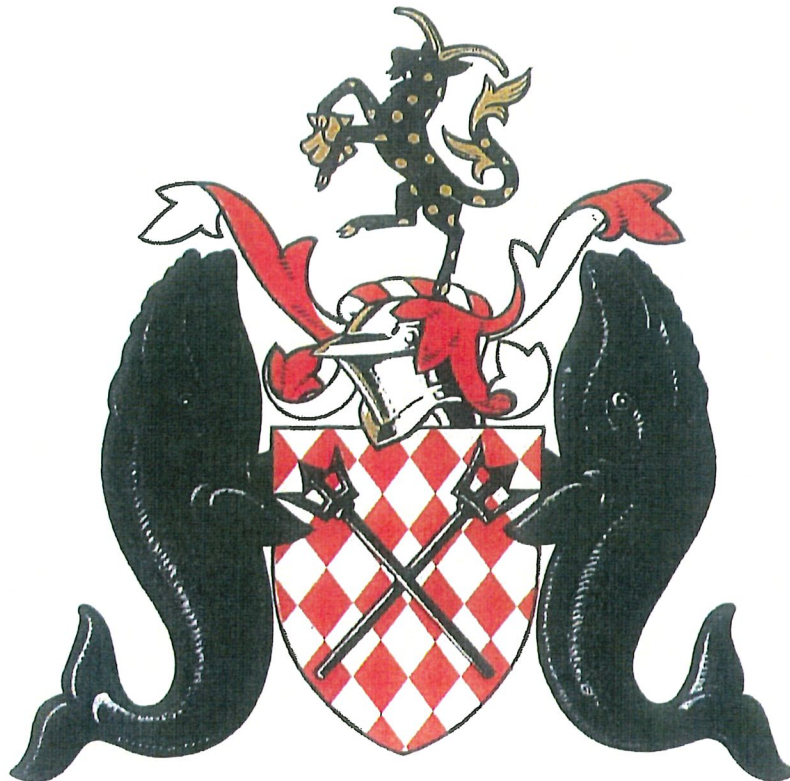
The silver –*Argent*– “diamonds or *Lozengy*– on the shield are representative of the Carteret Family, as the original Carteret Coat of Arms consisted of four silver lozenges on a red –*Gules*– field. The Tridents –*Sable* (black) *Saltire* (across the shield) are three pronged spears representative of Neptune. The *Yale* (a monster, usually with curved horns; sometimes a body like an antelope’s with a lion’s tail; and sometimes a more thickset beast with a goat’s tail.) *Escallop Or* – a gold scallop. The scallop is an ancient emblem of heraldry worn by Crusaders of old as a badge of honor. *Right Whale Sable Supporters*: Supporters are additives to a “Coat of Arms”. They come from the practice of Knight’s aides dressing in various animal costumes to attract challenges at tournaments.

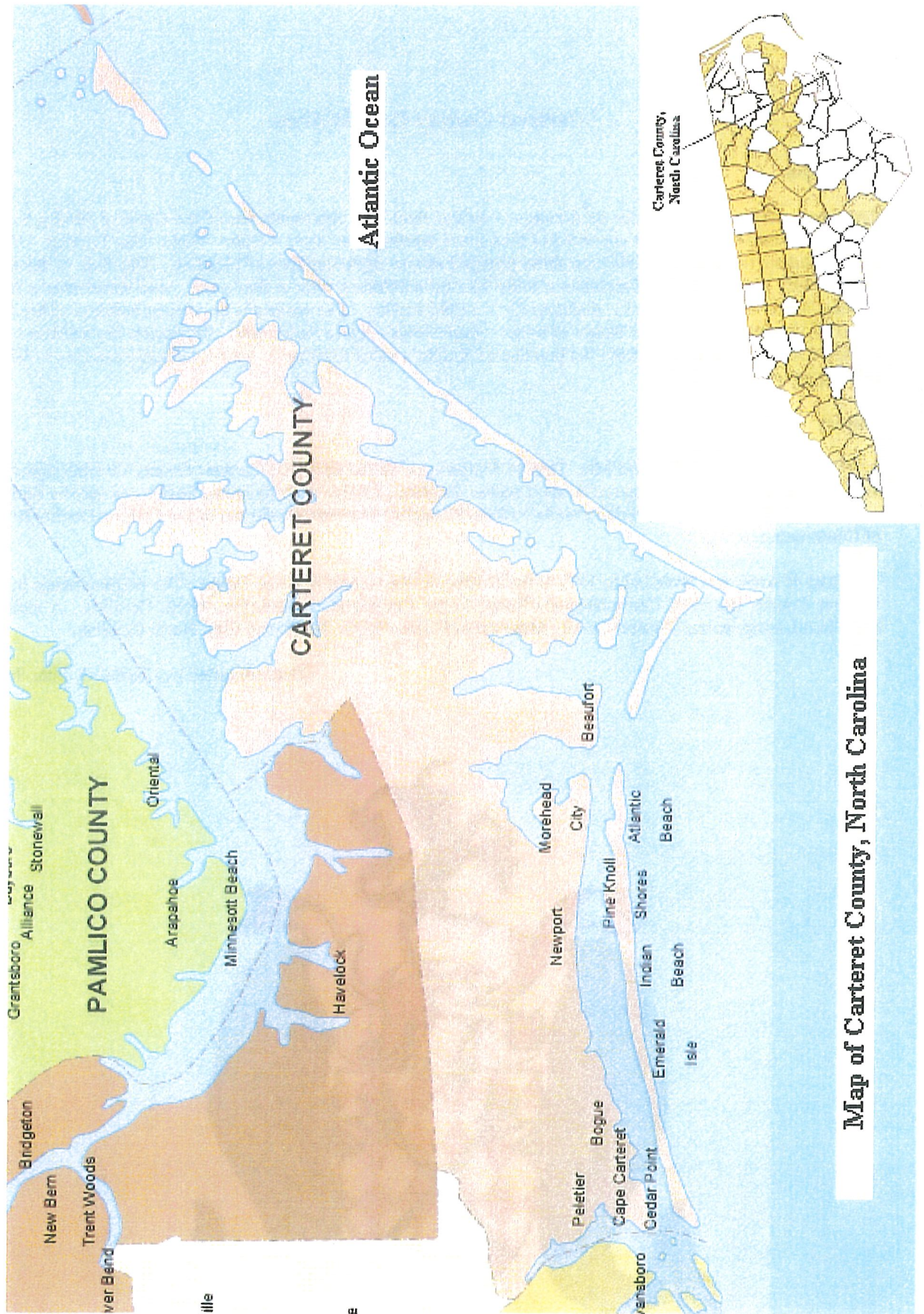
History

In 1976, Miss Emily Loftin and Mrs. Thelma Simpson prevailed upon the Carteret County Commissioners to initiate a request that the College of Arms, London, England, “derive such Armorial Ensigns as may be deemed suitable”. The request was officially made by John Kenneth Newsome, Chairman of the Carteret County Board of Commissioners.

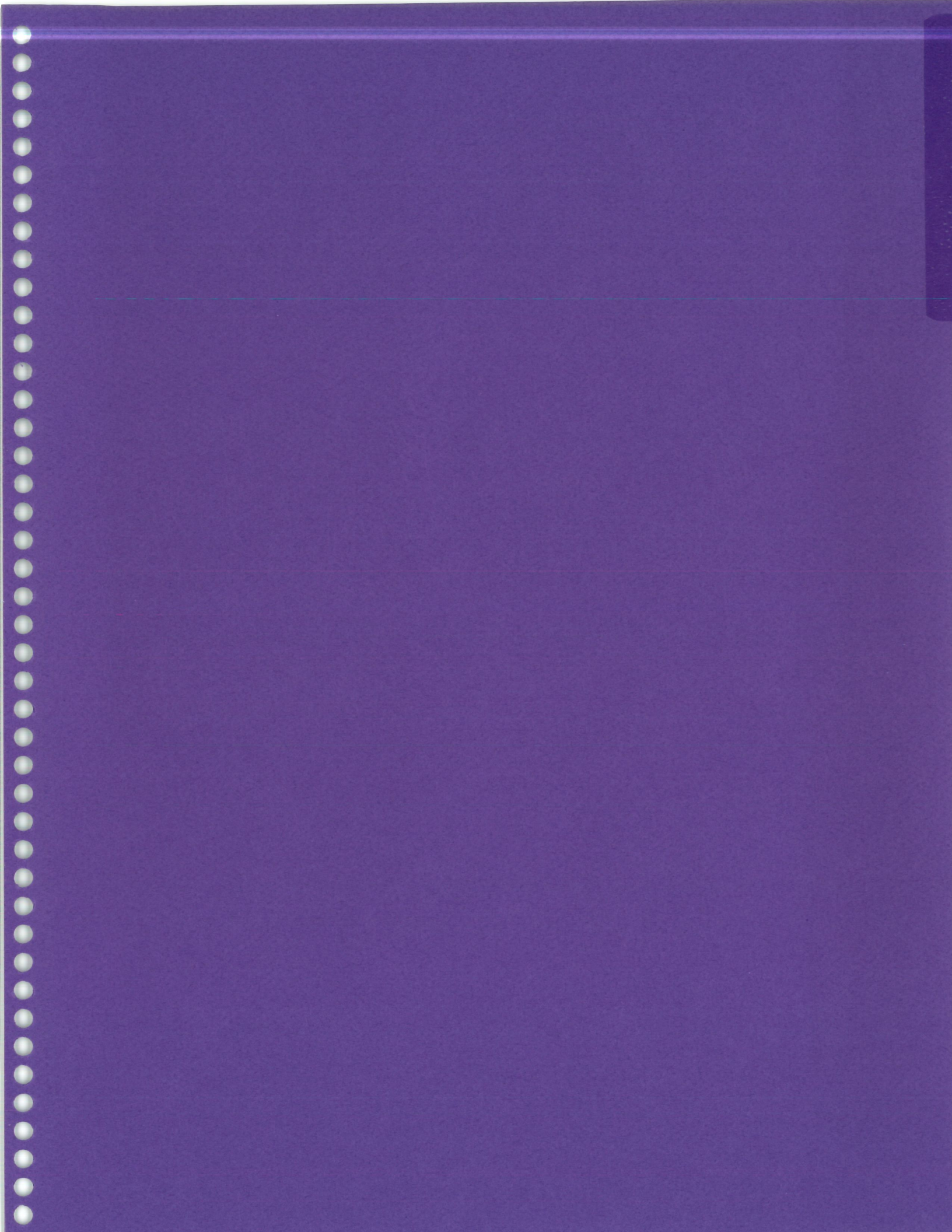
The Coat of Arms was unveiled in 1977 at the Driftwood Restaurant in Cedar Island. The original hangs in the Carteret County Board of Commissioners Room in the Courthouse in Beaufort, North Carolina. A smaller copy, in oil, hangs in the Carteret County Museum of History & Art, Morehead City, North Carolina.

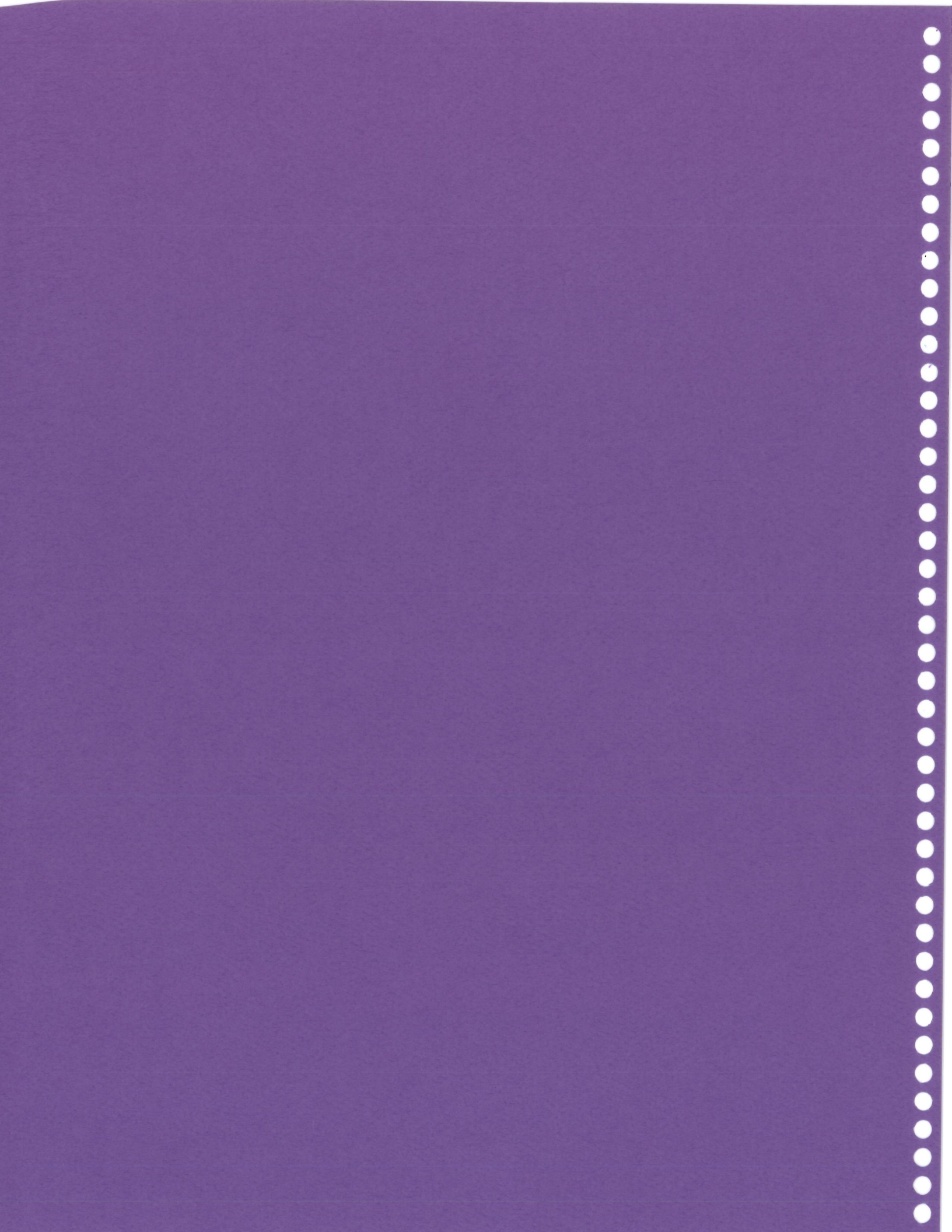
Data compiled by Charles O. Pitts, Jr.





Map of Carteret County, North Carolina





Board of Commissioners

Douglas W. Harris, *Chair*
William Holt Faircloth, *Vice-Chair*
Pete Allen
Patrick "Pat" Joyce
John Gregory Lewis
Wade Nelms
Jonathan Robinson



County Manager

John Langdon
Office: (252) 728-8450
Fax: (252) 728-2092
johnl@carteretcountygov.org
www.carteretcountygov.org

Clerk to the Board
Jeanette S. Deese, CMC

May 4, 2009

Carteret County Board of Commissioners:

The County's annual Budget Ordinance is the single most significant policy statement made by the Board of Commissioners each year after determining affordable requirements to be funded. These considerations must be delicately balanced by perceptive assessments about the willingness of tax payers to be taxed, regardless of the method of taxation imposed.

This annual budget debate to determine the differences between desirable "wants" and required "needs" could hardly be more intense than on the front end of the most severe economic recession our local communities, our region and our state have experienced in more than 70 years. The fiscal reality is that a multitude of funding requests for services, programs, facilities and supplemental appropriations have far exceeded our current level of recessionary revenues required to balance the FY-2009/2010 (FY 10) budget.

This recommended balanced budget proposal for Carteret County government reflects a substantial amount of input and assistance from a variety of sources inclusive of county staff, other local governmental agencies funded wholly or partially by the county. It greatly reflects other discussions with and implied guidance received from County Commissioners throughout the past several months. It has been prepared in accordance with the NC Local Government Budget & Fiscal Control Act in fulfilling the County Manager's annual statutory responsibilities. It presents a deliberate balance of revenues and expenses reflecting short-term service requirements and long-term vision; of adequately maintaining what we have already built as responsible stewards of the public's trust, as well as investing in new community assets for enhanced quality of life; of meeting heightened security needs of public safety, while educating our population adequately; and most significantly, by prudently addressing unforeseen possibilities of a recessionary economy that will probably last several years.

Honest variances in opinions are inevitable in determining relative priorities, and setting revenue resource levels required for adoption by the collective Board of Commissioners. While some of the provisions outlined within this recommended budget have been discussed before, specific allocation proposals have not yet undergone thorough and critical public scrutiny.

The final outcome of our balanced Budget Ordinance will also be greatly affected by ongoing legislative and fiscal negotiations between our Governor and the General Assembly's leadership concerning the level of state appropriations and evolving legislative mandates for local government programs and services. However resolutions of these fundamental issues will most likely not be completed until well past our statutory requirements to adopt a local balanced budget for Carteret County by June 30th.

Budget overview

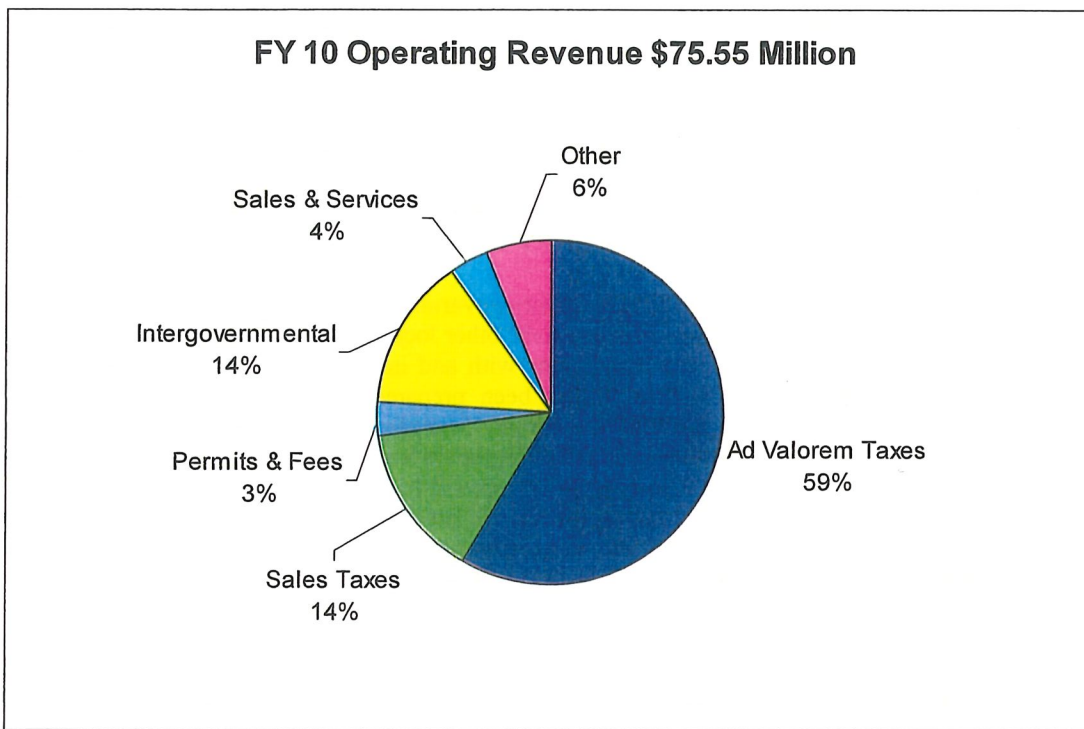
The recommended budget proposal for all funds is \$92,578,835, a \$9,437,784 (9.17%) decrease from the current fiscal year amount.

The general fund is the main operating fund of the County. The recommended general fund budget proposal is \$75,545,575, a \$5,074,587 (6.29%) decrease below this current year's amended budget as established on December 31st.

Revenues

All revenue collections used to balance our current FY 09 budget, have been under-performing conservative budgeting projections adopted last year. Staff estimates General Fund revenues to be approximately \$4 million under budget, which may require as much as \$2 million of total fund balance reserves to be expended through the end of this fiscal year. Little positive changes are expected over the next twelve months, as the mainstream of economic theories are projecting only sluggish movement towards economic recovery during this period. Therefore, revenue forecasts in this balanced budget proposal are substantially decreased from FY 09 budgeted amounts as a more accurate reflection of our recessionary economy than forecast at this time last year.

Following is a chart of revenues used to balance our FY 10 budget recommendation:



Revenue Source	Projected Revenue Growth (Regression)
Property Taxes	\$.052 Million
Local Sales Taxes	(3.68 Million)
Intergovernmental	(1.029 Million)
Permits / Fees & Sales /Services	(.417 Million)
Interest Revenue	(.250 Million)
Other Revenue	<u>.250 Million</u>
Total	(\$5.074 Million)

Property Taxes

The County's assessed property tax base is valued at approximately \$19.08 billion; \$82 million more than in FY 09. Due to severely depressed local housing and construction markets, the County is not benefitting much from very modest growth performance in total assessed values. The limited amount of tax base growth we are experiencing may be greatly offset by property tax exemptions passed by the General Assembly last summer after our local Budget Ordinance was adopted.

This recommended budget proposal has been balanced using the current property tax rate of 23 cents per \$100 assessed value. This level tax rate should generate ~\$42.80 million based upon our actual audited collection rate of 98% achieved in FY 08.

The current year tax collection rate performance has been relatively stable by again remaining above the state average; however, it is slightly under what had been forecasted when our Budget Ordinance was adopted last summer. Staff is estimating an approximate 0.3% decrease from the previous fiscal year. Also, the percentage of our delinquent tax collection rate has been steadily dropping each year from 55% collection performance in 2003. This recommended budget proposal places strong emphasis upon increased levels of delinquent tax collection to achieve approximately 50% of outstanding delinquent taxes. Consequently, \$1.15 million is budgeted to be received from delinquent collections, which includes related penalties and interest.

Sales Taxes

The County anticipates enduring an approximately \$1.85 million regression in sales tax distribution during FY 09 from FY 08 performance. Sales tax projections for FY 10 are budgeted for 12% regression under FY 08 actual receipts, as adjusted for final provisions of NC's Medicaid relief for counties.

The County forecasts that sales tax distributions will represent approximately 14% (\$10.65 million) of the County's General Fund revenues in FY 10.

Aside from the primary negative impact from our economy in severe recession, a portion of our net decrease in sales tax revenues received during the current fiscal year has been directly associated with phasing in the second year of Medicaid relief provisions by the state, involving a reduction of local shares of state sales taxes. In FY 08 as the only state still assigning mandatory shared expense burdens to county governments, the General Assembly passed a three year phased plan to eliminate the Medicaid burden from NC counties. In return, counties agreed to a reduction of sales tax revenues to offset Medicaid expenses eliminated. In FY 08 we lost a portion of corporate income tax revenues. In FY 09, we regained those revenues but in return lost ¼ of one cent from Article 44 sales tax revenues.

In FY 10, the County's Medicaid burden will be completely eliminated after giving up an additional 1/4 cent of Article 44 sales tax revenues from this next year going forward. In doing so, from FY 09 forward for ten years, all counties have been assigned an additional obligation to hold local municipalities "harmless" for any losses of their proportional sales tax distributions as a consequence of Medicaid relief provisions. This is why the County's sales tax revenue regression has been much larger than our municipalities have experienced since last September. A substantial portion of the county's Medicaid expense savings have been already been allocated to augment stable revenue streams to local municipal governments.

Permits and Fees

FY 10 budgeted permit and fee revenues from Register of Deeds, Environmental Health and Building Inspections are forecast to be \$2.37M. This is a 15.70% reduction (\$442,000) from \$2.81M budgeted for FY 09, based upon current year revenue performance to date. Due to the length of projected sluggish economic recovery, this trend

may be expected to continue for several years. No fee schedule increases are proposed for these operations in FY 10 budget recommendations.

Sales and Services

Programs referenced in this section include Solid Waste revenues and Civic Center revenues. Both operations were mired in deficit for many years as costs of these services have traditionally exceeded revenues generated by users.

The Solid Waste program began breaking even in FY 09 after availability fees were imposed upon secondary users of the county's solid waste convenience sites. In FY 10, the County will be charged an additional \$2/ ton (new rate of \$48.50/ton) tipping fee. Accordingly, this budget proposal includes a \$2 (1.2%) increase in annual solid waste fees for primary convenience site users to offset increased program expenses, thus generating approximately \$25,000 in additional revenues to balance increased costs.

The Civic Center deficit is projected to be approximately \$176,000 in FY-10, a traditional deficit level. No recommendations for increase fees at the Civic Center are proposed for FY 10 as current fees are in line with those of competing facilities. The inability of the Civic Center to operate in balance is due mainly to facility constraints and other associated limitations, not current fee schedules.

Intergovernmental Revenue

Intergovernmental revenue is budgeted for \$10.93 million, representing 14.5% of the general fund budget. This amount represents a \$1.03 million (8.6%) decrease from FY 09. Most of these revenues support specific mandated social services and public health programs.

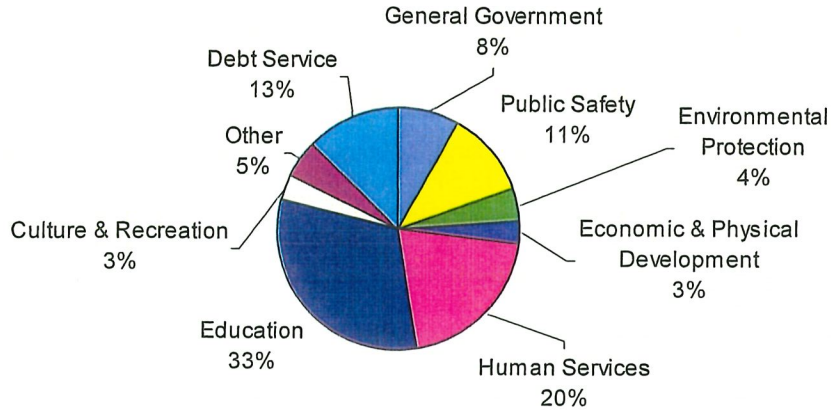
NC counties also receive annual funding allocated from the Public School Capital Expense Fund for restricted qualified uses of expenses directly related to capital school construction and related debt service payments. During normal economic performance these revenue streams have been reliable, however this year the Governor has redirected distributions of revenues normally deposited into these fund accounts in order to balance the state's revenue deficits. That may continue through the end of this fiscal year and perhaps beyond. Fortunately we've been able to draw down existing account balances to achieve distributions which had been budgeted for FY 09; however in doing so, our entire Public School Capital Expense Fund balances have virtually been eliminated as potential for future funding available if these revenue streams are withheld again next fiscal year.

In the past, the County's estimated share of ~\$500,000 from NC corporate income taxes could be assumed; however, due to the State's budget crisis and pending legislation, this revenue stream is highly unlikely to continue in FY 10 and beyond. Therefore, staff is not budgeting to receive those revenues next year. Our budget proposal does anticipate receiving \$400,000 from NC "Education" Lottery proceeds to offset our annual obligations to retire school construction debt.

Expenditures

FY 10 General Fund expenditures are budgeted to decrease by \$5.074 million (6.29%) from the amended FY 09 budget as calculated on December 31st. This is the only rational outcome while budgeting for greatly reduced revenue streams during a prolonged period of severe economic recession. This requires substantially reduced budgets for all County departments; also for greatly diminished appropriations to many non-profit organizations and local municipalities. In most cases, county programs and services will be reduced, but not eliminated; however will involve reductions of established positions and a greater number of vacancies not budgeted to be filled during next fiscal year.

FY 2010 Expenditures \$75.55 Million



General Fund Programs

Function of Government	Decreased Expenditures
General Government	\$.326 Million
Public Safety	.871 Million
Transportation	.012 Million
Environmental Protection	.044 Million
Economic Development	.331 Million
DSS and Health Programs	1.938 Million
County Schools Operating	.970 Million
Carteret Community College	.068 Million
Debt Service	.014 Million
Culture and Recreation	.411 Million
Non Departmental	.089 Million
Total	\$5.074 Million

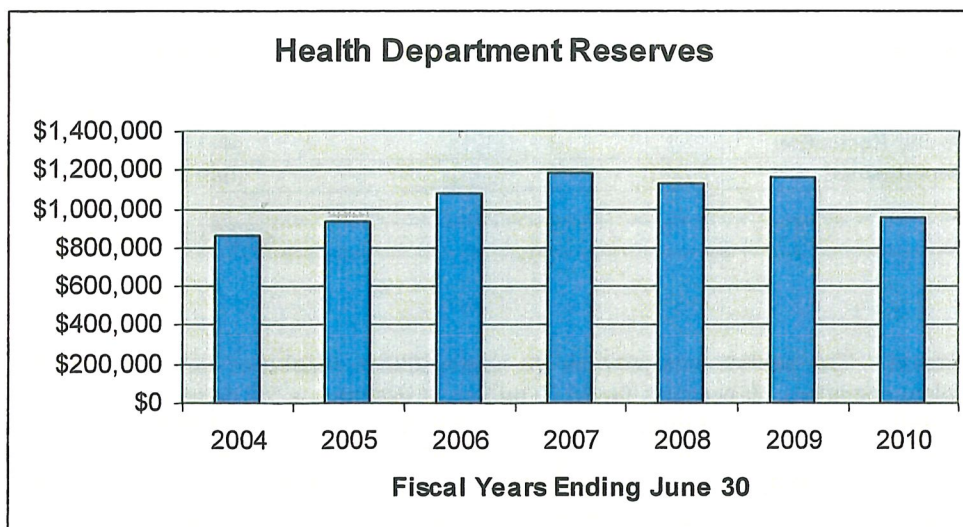
General Government – This service area provides the administrative support of county government as well as physical plant operations. It accounts for \$6.19 million of expenses, a 5% decrease (\$.326 million) from the current year budget. It is hoped that there will only be small impacts from the decrease, but services will be impacted. Some of the reductions are as follows: operation expenses are decreased including employee training, contracted services are reduced in the public buildings department, part time tax department funding has been reduced, a finance department accounting position will remain vacant, and there is a proposed reduction of force in the Register of Deeds Department.

Sheriff Division – The recommended Sheriff’s budget is \$6.52 million, \$790,000 (10.8%) less than the current fiscal year. It is important to note that essential personnel and services will not be diminished. The budget decreases are due largely to the following: \$200,000 is not required to replace the jail’s electronic door system completed in FY 09; conversion of gymnasium space to 12 more cell spaces is not cost beneficial since requiring three additional jailer positions, therefore is not recommended for next fiscal year. Other proposed reductions are fuel for patrol vehicles (\$100,000), fewer vehicles recommended, [7 in FY 10 versus 9 in FY 09]. It had been envisioned the Sheriff’s Communications Division would be eliminated during FY 10 when the county might consolidate all county 911 dispatch operations, however that capital construction project will not be completed until FY 11.

Social Services – Social Services is the largest component of the County’s Human Services funding at \$10.20 million which alone represents 13.54% of our general fund budget. Social Services’ operating budget is \$5.68 million representing a \$44,560 decrease (0.8%) in adjusted funding. This marginal proposed budget decrease obscures the reality of substantial additional workloads for DSS case workers and administrative support as a direct negative consequence of this ongoing recession.

It is important to note that it has been a major priority in this department to maximize receiving all federal revenues the county is eligible for, resulting in a local funding savings of \$102,000. As stated earlier, FY 10 is the final year of the State Medicaid swap implementation, resulting in no Medicaid services cost sharing, which represents a \$1.7 million savings from the current year DSS budget. However, most of these savings are offset elsewhere in this budget proposal by the reduced sales tax distributions to the County during FY 10.

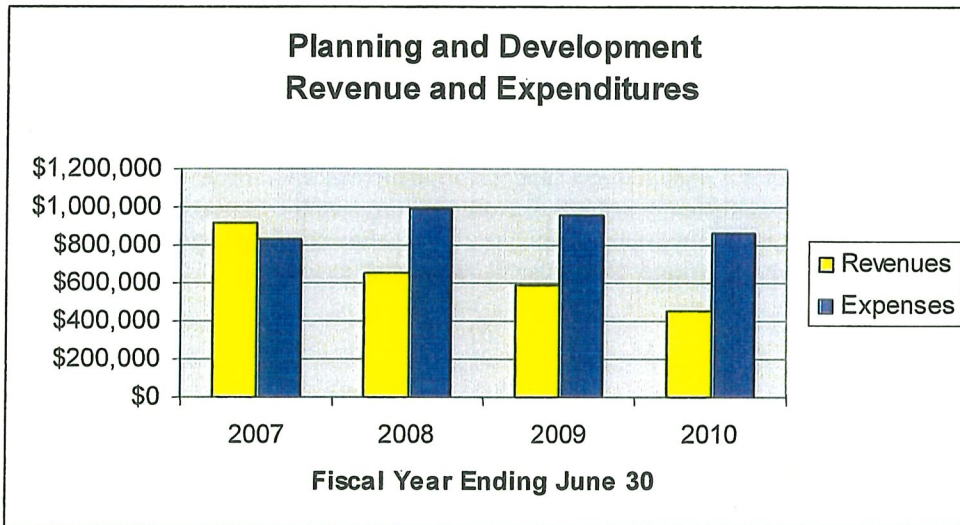
Health Services – The second largest component of the County’s Human Services funding is the Health Center which also includes Environmental Health. The recommended budget funds \$3.70 million, a \$252,000 (6.4%) decrease. This budget leaving two positions vacant from FY 09: a Health Department administrative assistant, and an Environmental Health specialist. Also, two positions will be reclassified fro full-time to part-time, including the County’s Dentist. FY 09 was the first year in which the County began drawing down a large portion of reserve fund balances designated specifically for Public Health Department programs. Reserve funding accumulates from Medicaid billings receipts the department receives but does not immediately spend in a current year budget. The department had been treating these reserved funds as a rainy day fund but no more. The County will spend approximately \$200,000 on eligible program expenses during FY 09 and approximately \$216,000 in FY 10. The graph below shows the history of health department reserved funds.



Note: Fiscal years 2004 – 2008 are audited, and fiscal year 2009 and 2010 are estimated

Shore Protection – The \$945,720 Shore Protection Department budget is \$52,450 (5.25%) less than the current fiscal year. The budget includes \$510,700 in contracted services recommended by the Beach Commission for consultant services contracts, beach surveying programs, and legal fees. This department is entirely supported by a combination of occupancy tax revenues and other programs of qualifying state revenue. Occupancy taxes represent 84% of this department’s budget

Planning and Development - The Planning and Development recommended budget is \$865,215, a \$90,563 (9.48%) decrease from the current year budget. Until FY 08, the department was completely supported by planning and inspection fees. As graphically illustrated, permit fees have been greatly reduced by this recession. As a result of the recessionary impact on this department, the recommended budget proposal keeps one vacant planner position unfunded, and lays off one building inspector until such time when our local recessionary economy may improve substantially.



Note: Fiscal Years 2007 and 2008 are audited; years 2009 and 2010 are budgeted

Solid Waste - Solid waste operations are budgeted for \$2.25 million. The County’s Solid Waste convenience site program continues to be well served by contract services with Republic GDS, Inc. The proposed budget accounts for a \$2/ton increase in tipping fees, the first increase to the County ever imposed by Coastal Regional Solid Waste Management Authority since it’s inception. As discussed in the revenue section, a \$2 increase in annual fees is proposed for primary convenience site customers only . For the first time, the solid waste program was projected to break even FY 09. FY 10 is also budgeted to be in balance if usage fees are raised slightly.

Parks and Recreation – This recommended budget funds parks and recreation at \$1.19 million, a \$246,265 (17.1%) decrease. A portion of the decrease is the County has traditionally funded \$70,000 to municipalities for various programs, and this budget does not provide funding for municipal assistance. The County’s Capital Improvement Fund supports our commitments to expand and improve county parks.

Libraries – The County funds our share of our Tri-County Library System’s operating and capital expenses with Craven and Pamlico counties. Our recommended budget funds \$878,000, a \$32,000 (3.5%) decrease from current year appropriations, which also includes annual funding support for Newport’s

municipal library. Relocation of the county's main library to Beaufort Square entails a major expansion of that facility which is expected to open very early in FY 10. This budget proposal does not provide expanded funding for additional operation expenses there, hence reductions in operating hours and other library services may be expected throughout the county's entire library system next fiscal year.

The County continues to fulfill its 50/50 partnership commitment for shared operational expenses with the Town of Newport for their municipal library which is a full partner in our Tri-County system. In FY 10 the Town is decreasing municipal operations funding to \$73,000, representing a \$7,000 (8.8%) reduction of County's expenses.

In addition to annual funding for members of our Tri-County regional library system, the County has also been funding two non-system libraries for the past several years: the public Down East Library (\$15,000) and Morehead City's Webb Library (\$55,000-70,000). They had been funded chiefly to alleviate consumer pressures at our smaller main library facility in Beaufort. Since the County's new expanded main library will open at Beaufort Square in FY 10, regrettably this proposed budget does not provide funding for the two independent library operations.

Education

By far, public education continues to be the largest single financial obligation which Carteret County taxpayers would assume in the proposed General Fund budget next year. At \$24.33 million proposed in this recommended budget, it constitutes a 32.2% share. When associated debt service is considered, the more accurate percentage of the County's annual budget support for public education is 43.3% of the proposed General Fund budget. The County's annual direct support for public education funds two entities: Carteret County's Public School System and charter schools (\$22.08 million), and the Carteret Community College (\$2.25 million). These separate appropriations for local education funding represent the County's substantial and continued long-term commitments to local educational excellence.

Public School Funding

Of 115 NC public school systems, Carteret County has consistently placed well within the highest tier of local funding levels per student. 267 of 1196 school system employees (more than 22%) are funded by local property tax revenues. Of 708 certified teachers in our local school system, 127 (18%) are fully funded through local revenues.

These local funding initiatives have been significant enabling factors for Carteret County to have substantially improved student-teacher classroom ratios far more favorably than salary levels and teacher allocations funded by a combination of state and federal revenue sources..

School Operating Funding

For the first time in many years, local funding appropriations to our public school system and charter schools may be decided by compelling measures of affordability, while our citizens and property owners are suffering immensely from a deep economic recession in the context of very high local unemployment rates, while also facing the specter of multiple national financial bailout crises which continue. As this recession subsides, we should cautiously anticipate the negative effects of a much higher inflationary economic environment.

The Board of Education's FY 10 estimate of educating 8,256 students represents a slightly declining student population which will result in lower state funding levels. For more information on the public school system's mission, programs, and performance statistics, see page 154, the Interim Superintendent's letter. Page 38 provides charts and trend information for requested funding levels.

By NC law, local charter schools must receive the same level of local classroom funding per student as appropriated for students in our local public school system. Therefore, for totals inclusive of proportional charter school funding requirements, the Carteret County Board of Education is requesting ~\$20.6 million in operating funds, \$4,000 less than their same inclusive FY 09 Budget Resolution. The county's proposed balanced budget for FY 10 allocates only \$19.635 million (a 4.79% funding decrease).

While this reduced funding recommendation may be very controversial, especially in the context of 4.14% budget cuts recommended by the Governor, it is a higher amount than FY 08 local funding appropriations, and these notional reductions are far less as by comparative percentage than overall reductions of 6.29% proposed for the County's General Fund budget next year. It simply may not be feasible to provide level funding to public schools during this severe recession when considering that public school education expenses are the single highest portion of the County's annual budget. The overarching proposal to reduce county spending next year by 6.29% deceptively understates fiscal reality that many of the county's other statutory programs and services are mandated by state and federal governments, which greatly constrains the extent for which those local funding levels may be reduced.

A considerable amount of federal stimulus funding for public education has not yet been factored into budget discussions occurring at either state or local levels for respective allocations to Carteret County public schools. Congressional records underpinning the education stimulus package approved by the federal government indicate amounts notionally earmarked for Carteret County which may greatly offset levels of local funding for next year as requested by the Board of Education. It should be further noted that federal stimulus funding increases for Title I and special education programs may essentially restore previous federal funding reductions for which the County has picked up local funding initiatives to support over the past several years.

School Capital Needs Funding

In November 2005, Carteret voters approved a \$50 million school bond referendum for the purpose of addressing capital renovations and improvements at 13 of 16 schools, as well as new construction for 64 classrooms and other facility additions at five schools. By FY 08 school bonds totaling \$40,300,000 have been sold to finance capital school renovation and expansion projects. In FY 10 the final installment of schools bonds totaling \$9,710,000 is anticipated. All projects are on schedule for completion within the next three years.

The Board of Education's annual capital funding request this year is \$2.78 million, a \$20,000 decrease from approved funding levels in FY 09. The County's recommended budget proposal funds \$2.48 million of the requested amount, a \$ 300,000 (10.8%) reduction of amounts requested next year.

During FY 08, County Commissioners and the Board of Education agreed upon a five year technology replacement funding program. The County borrowed \$2 million for the first two years of desk top computers, laptops, printers, classroom projectors and wireless networks for 10 schools. The \$334,680 technology replacement request in FY 10 is in conformance with the five year replacement schedule agreed to by both elected boards.

Debt Service Payments – Current debt service is funded directly by the County. School debt service payments for FY 10 will be \$7.84 million or 82% of the County's total debt service. Based on FY 10 enrollment estimates, annual debt service related to public schools is calculated to be approximately \$949 per student. In late 2009 or early 2010, the County is scheduled to issue the final \$9.71 million remaining of the \$50 million total general obligation school bonds a substantial majority of voters approved in the 2005 referendum. Debt service for these additional general obligation bonds will not be required until FY 11.

When annual local operations funding per student is added to annual capital spending per student and annual school related debt service per student, the Manager's recommended budget for FY 10 supports education in Carteret County by an amount of \$3,552 per student enrolled in our public schools. By any measure, this still represents a substantial amount of local tax dollars supporting quality education in Carteret County.

Community College

Operating Funding

The Community College requested \$2.090 million for operations, 0.2% more than FY 09. The recommended budget funds \$2.025 million of the Community College's operating request, a 2.9% (\$61,000) decrease from the current year appropriations. The Community College's goals, program description, performance measures, and accomplishments are located on page 157.

It should be noted that although this recommended budget cut is much smaller by percentage than cuts recommended for public schools, staff is not aware of any federal stimulus money which might supplant reductions in local funding appropriations.

Capital Funding

The Community College requests \$225,000 in routine capital maintenance and related support funding. This recommended FY 10 budget fully funds the request in accordance with the joint agreement between the Community College Board and the County Board of Commissioners as approved FY 08. The County borrowed and funded \$1.7M for large capital projects in FY 08. This is year three of that agreement to cap annual capital funding amounts for a period of seven years.

Debt Service Payments

Annual debt service for the Community College is \$962,000 or 10.06% of the County's total annual debt service.

Non-departmental

The non-departmental budget is \$5.01 million. Non departmental expenditures include \$2.30 million in transfers from the General Fund to other funds, such as the school capital improvements fund, the County's capital improvements fund, and the water fund. In addition, contingencies are funded in this section. The single largest item budgeted in this area is occupancy tax contingency. The occupancy tax contingency is the estimated amount of occupancy tax revenues collected by the county which will be added to the occupancy tax reserve for beach nourishment in accordance with the occupancy tax legislation. The estimated amount that will increase beach nourishment reserve is \$1.58 million. Workers compensation, vehicle purchases, fuel contingency reserves, unemployment benefits, and merit pay bonuses are funded in this section as well; and then transferred to appropriate departments when staff receives actual expense requests.

Other Funds

County Capital Improvements Fund

The County's five year capital plan on page 186 is for approximately \$36 million. The County has developed a plan of that basically provides level funding for pay as you go for parks and recreation projects and other minor capital expansion initiatives. Larger projects will require financing.

This previously accumulated existing fund balance pays for \$1.70 million projects next year, For the past several years, the County has set aside advanced funding for several important capital projects which is fortunate now for our current recession No one had predicted the scope how this current recession has materialized, but fortunately the County's Board of Commissioners had the foresight to accumulate reserved resources to fulfill limited strategic goals to alleviate undue annual budgetary pressures.

This account will fund parks and recreation projects such as the second year of developing Newport Park; construction of new restroom facilities and expansion of parking at Western District Park; funds year three of our five year expanded water access partnership with Morehead City at Radio Island. Also funded is the multi-year project to update the County's aerial mapping data base.

In addition to park improvements, if not accomplished by the end of this fiscal year, this recommended budget can finalize a \$850,000 water access land purchase in Cedar Point by using a combination of grants and \$127,500 in local funding through existing balances in our Water Access Fund account.

Water Fund – The recommended water fund budget is \$696,000, \$166,841 (19.3%) decrease under FY 09 due to completion of a project paid by a developer which connects a subdivision to the County's water system. Phase I and II debt service payments for previous line expansions total \$251,035. Water revenues forecast are \$493,500 with no rate increases proposed since rates were increased FY 07. Transfers from the general fund to the water fund will be \$170,000, \$48,000 less than FY 09.

As the County continues to review its rate schedule and plan for the future, it is important to consider a possible decrease in the number of Phase II contract customers. Over 865 household residents signed contracts at greatly reduced rates to encourage hookups to the County's expanded system; however, only 35% (approximately 300) of these contract customers actually connected to system and are consuming water. As a condition of their contract, the approximate 565 households that did not connect and are not consuming water are only obligated to pay a minimum monthly fee (\$15.00) for 5 years. Non-hookups are a concern for the County because their collective annual \$100,000 in minimum rate revenues notionally ends at the completion of the five year period during mid-CY-2010 if these customers do not hookup to consume water. FY 10 will be last year of their five year commitment. The water department is working closely with our planning department in technical review meetings to maximize adding new customers to our water system.

The County will only be able to eliminate reliance upon General Fund transfers to balance our operating deficits if we are able to increase revenues from our potential customer base. If several grant and low interest loan possibilities materialize, the county has water system upgrades planned which could also result in availability fees for access to water consumption and/or increased firefighting protection.

Fund Balance

For many years the County has used lesser fund balance amounts to balance annual Budget Ordinances. However, FY 09 will be the first time in the past seven years that any fund balance appropriations have

been used to balance actual expenditures, by the end of FY 09, our recessionary deficit total may exceed more than twice the amount of fund balance appropriations included in the Budget Ordinance adopted last summer. This is in stark contrast with prior years when our booming economy exceeded annual conservative revenue estimates; a period in which conservative management practices also consistently reduced expending all appropriations. As result of prosperous years of conservative fiscal policies, we have substantially doubled the county's fund balance reserves over the past 6 years.

Therefore, it is a responsible proposal that now is an appropriate time which we have been prudently saving for, to increase fund balance appropriations to balance expenditure levels recommended for the FY 10 budget, As such, this budget includes appropriations of \$1,000,000 from our fund balance reserves as supporting revenues in FY 10 .This is a bold initiative as a very large use of fund balance as appropriated expenditures. However that may be preferable to raising local property tax rates, or for what may be less attractive options to reduce expenditures further for public programs and services to possible unacceptable levels.

The County Commission should continue its conservative use of fund balance as a top priority due to uncertainty in our current economy, especially in the face of great uncertainty about how this recession may or may not subside during the next several years. Although most financial analysts are predicting a slight shift towards recovery next fiscal year, we could remain in deep or a deeper recession longer. Eventual economic recovery could take several years longer as local government revenue streams traditionally are one of the last economic indications to fully recover. In any event, for reasons involving more regulatory expenses being added to construction costs for new development, Carteret's post-recession economy may never reach the same levels of general economic prosperity and tax base expansion as we experienced during several years in the middle of this past decade..

The final execution of our FY 09 balanced budget may decrease our General Fund balance totals by approximately \$2 million due to unforeseen recessionary deficits. If this recommended budget for next year is adopted at proposed levels, our reserves will be reduced to 29%. Looking ahead to FY 11 and operational expenditure obligations to be incurred for county wide consolidated 911 dispatch services, plus additional debt required to finance completion of school bond construction projects, fund balance is projected to be 27% of general fund expenditures. Extreme caution is advised for considering additional capital or operating expenses which might further reduce our fund balance ratio below 25% next fiscal year.

Employee Pay, Benefits, and Staffing

Since FY 06, County employees have not received any automatic salary increases, cost of living adjustments, longevity tenure salary increases or automatic step increases within assigned grades. County employees have not received any amount of annual salary supplements. During this period, recognition for meritorious performance has been the only opportunity for county employees to achieve higher pay within their current positions to elevate them above base level hiring salaries.

The recommended budget extends the Board's policy in the past three budgets that merit pay is the only approved mechanism to increase employee salaries within the same grade. \$335,000 in local funding proposed for one-time merit pay bonuses is to be augmented by \$160,000 in state funding is added for a total of \$495,000 proposed for continued funding of merit pay incentives. Annual performance evaluations compiled within individual departments will once again used as the primary basis for top meritorious performance tiers as for previous years.

This budget recommends not adding any new positions while leaving 5 vacant positions unfunded; laying off three other employees and eliminating 4 authorized positions; while 2 positions are reclassified from full to part time status not eligible to receive fringe benefits.

- Vacant positions are as follows:
 - Planning Department: planner
 - Health Department: administrative assistant
 - Environmental Health: Environmental Health Specialist
 - Parks and Recreation: Park Maintenance position

- Eliminating positions are as follows:
 - Register of Deeds: assistant director
 - Sheriff Department: 3 jailers

- Reduction in force as follows:
 - Register of Deeds: one deputy
 - Planning and Inspections: one building inspector (Grade 2)

- Full time positions converted to part time positions are as follows:
 - Dentist
 - Public Health nurse

In addition to full time position changes, part time reductions are recommended in this budget for the tax, soil conservation, and parks departments.

After years of good investment earnings, the state's retirement funds lost 19.7 percent in 2008. As a result of these losses, the General Assembly will need to restore these funds in order for the retirement system to maintain its strength. Due to the timing of the retirement system with actuarial studies, local governments will maintain the same rate contribution of 4.91%. However, in FY 11, it is anticipated local governments will have to increase this rate to approximately 6%.

Summary

The County's budget is a planning document. It presents a complex accumulation of sound fiscal policy of restraint balanced with competitive priorities for new initiatives. This annual process establishes strategic direction by allocating additional public funding levels as a commitment to quality service, program support and facility development. There remains a certain limited degree of responsible flexibility to further amend the budget later in FY 10 using fund balance as available means to exploit emerging opportunities and respond to unforeseen challenges that may not be fully recognized at this time during the annual budget process. Throughout the year, the County Commission will certainly be requested to amend this document to account for such changes. The controlling factor is that expenditures must remain within available revenues while still retaining adequate reserves.

By state and federal law, certain expenditures and revenues are controlled by mandatory rules and cannot be modified regardless of external factors. Beyond those mandated service levels, the County Commission, other elected boards, and officials respond to public input with a wide range of service and program initiatives. Setting priorities either directly or indirectly is a reality of the budget process. Decisions made by the County Commission during review of this document will establish expected priorities for FY 09 and beyond.

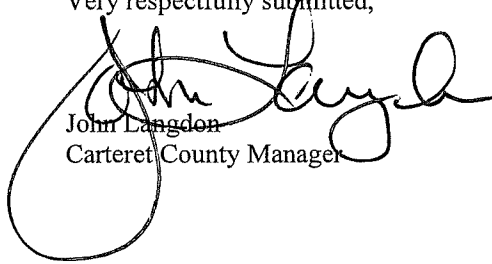
Acknowledgement

Extensive research and detailed analysis is required to support thoughtful development and an accurate, thorough presentation of this budget document reflects the extended effort of many qualified individuals. The process begins early in the year and is not completed until after a final budget is adopted by the County

Commission in June. Special acknowledgement and gratitude is extended to the Finance Department and other Departments for their exceptional assistance and commitment in preparing this budget.

There is no perfect or absolute resolution to the inevitable continuum of issues county government must address. It is the willingness of people to openly discuss their thoughtful concerns and to compromise towards reaching responsible consensus that makes the ultimate difference. This County's future success will be directly linked to increased involvement by citizens to reach shared visions for necessary civic infrastructure improvements to complement both quality of life and progressive growth issues. Ultimate successes can never be guaranteed, but our community's character and visionary leadership should be anticipated to adequately address future challenges.

Very respectfully submitted,



John Langdon
Carteret County Manager

Addendum to the Budget Message

Carteret County Board of Commissioners' adopted budget was changed from the recommended budget. Below is a discussion of changes from the recommended budget to the adopted budget.

General Fund Revenue Summary Changes

The recommended budget proposed no change from the fiscal year 2009 ad valorem tax rate of 23 cents per \$100 assessed value. The Board of Commissioners adopted the recommended 23 cent tax rate; however, the Board voted to not use any fund balance appropriation to balance the FY 09-10 budget, thus reducing the recommended fund balance appropriation by \$1,000,000. The Board also adjusted several other revenue sources.

<i>Revenue Source</i>	<i>Increase (Decrease)</i>
Intergovernmental	102,000
Sales and Service	3,000
Other Financing Sources	
Appropriated Health Reserve F.B.	29,915
General Fund Fund Balance	<u>(1,000,000)</u>
Total Revenue Changes	<u><u>(865,085)</u></u>

General Fund Expenditure Summary Changes

The Board of Commissioners reduced funding for hospitalization insurance after receiving the actual renewal rates from the County's provider. The reduction affected all departments and totaled a reduction in funding of \$256,740.

- **General Government:** The Board of Commissioners reduced accounting service funding by \$37,000. The County is bringing a portion of the accounting services in house. Funding was also decreased in the amount of \$25,000 for the Highway 70 Corridor Inter-Local Agreement. This expenditure was moved to the economic development function of government which is a more appropriate classification than general governmental expenditures. Professional liability insurance funding was decreased by \$50,000 after receiving actual renewal rates.
- **Tax:** The Board of Commissioners increased personnel \$17,415. The increase will fund salaries and benefits for the fiscal year.
- **Finance:** The Board of Commissioners increased funding by \$33,600 for a new position. The new position will work with the Fire and Rescue districts.
- **Elections:** The Board of Commissioners increased funding by \$102,000 due to the County receiving a grant for the purchase of voting equipment and increased funding for office rent by \$14,165.
- **Public Buildings:** The Board of Commissioners decreased office rent by \$93,200. The figure is a bit misleading due to that the Board of Commissioners voted that office rent should be prorated to each department that would occupy the new Beaufort Square building. Insurance was reduced by \$18,000 after receiving actual renewal rates.
- **Sheriff:** The Board of Commissioners decreased funding by \$15,000. The reduction was in insurance after receiving actual renewal rates.

- Landfill Closure / Waste Collections: The Board of Commissioners reduced Landfill Closure by \$17,000 but increased Waste Collections by \$17,000. The transfer was due to department consolidation in order to be more efficient.
- Economic and Physical Development: The Board of Commissioners increased funding for the Highway 70 Corridor Inter-Local Agreement by \$25,000. This expenditure was moved from the general government function of government to the economic and physical development function of government, a more appropriate classification.
- Soil Conservation: Due to the Board of Commissioners' decision on prorating office rent to each department, Soil Conservation's budget was increased by \$3,555.
- Other Health and Human Services: The Board of Commissioners increased funding to the Newport Development Center by \$12,500.
- Social Services: The Board of Commissioners decreased workers compensation and insurance expenditures by \$21,000 after receiving actual renewal rates.
- Senior Center: The Board of Commissioners voted to increase senior dances from two to four dances a month, increasing the budget by \$6,000.
- Library: Due to the Board of Commissioners' decision on prorating office rent to each department office the budget was increased by \$65,345. The Board also increased the Library's funding by an additional \$67,550 when they voted to fund the Morehead City Webb Library and the Down East Library.
- Parks and Recreation: An increase in the amount of \$13,745 for the Parks and Recreation budget was due to the Board of Commissioners' decision to prorate office rent for departments occupying the County's new Beaufort Square building.
- Transfers: School Special Projects (\$1,039,200) See details below in Other Funds Changes
- Contingency: The Board of Commissioners increased general contingency by \$469,180 to fund any unforeseen needs. Workers compensation funding was reduced \$140,000 due to receiving the renewal premiums.

Other Funds Changes from the Recommended to the Adopted Budget

Rescue Districts Fund:

- The Board of Commissioners adjusted funding and tax rates to the Fire and Rescue Commission's recommendation.
- Increased \$67,265 ad valorem property tax revenue and \$12,230 fund balance appropriation.

Fire Districts Fund:

- The Board of Commissioner adjusted funding and tax rates to the Fire and Rescue Commission's recommendation.
- Increased \$36,465 ad valorem property tax revenue and appropriated \$36,465 fund balance.

School Special Projects Fund:

- Decreased Safety and Accessibility \$3,500.
- Decreased Planned Repairs and Maintenance \$910,000.
- Decreased Category II \$16,800 and Category III \$108,900.
- Decreased the County's General Fund contribution by \$1,039,200.

▪ Budget Summary

▪ Fund Structure

Carteret County's accounts are organized and operated on a fund basis. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts recording its assets, liabilities, fund balances, revenues, and expenditures. The minimum number of funds is maintained consistent with the requirements of the law.

The County has one major fund, the general fund. A major fund is any fund whose revenues or expenditures, excluding other financing sources and uses, constitute more than 10% of the revenues or expenditures of the appropriated budget. Any fund that is less than 10% is considered a nonmajor fund. Below are the County's major and nonmajor funds by type.

▪ Major Fund

- **General Fund** – The general fund is the general operating fund of the County. It is used to account for all financial resources such as ad valorem taxes, sales taxes, state-shared revenues, and fees for services. The major expenditures categories are general government, public safety, human services, environmental protection, economic development, education, cultural and recreation, and debt services.

▪ Nonmajor Funds

- **Special Revenue Funds** – These funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.
 - *E-911 Fund* – Accounts for assessments that are used for E-911 equipment enhancements and for program costs.
 - *Rescue District Fund* – Accounts for special rescue tax assessed on rural areas of the county and is distributed to those districts.
 - *Fire District Fund* – Accounts for the special fire district tax assessed on rural areas of the county and is distributed to those districts.
 - *Occupancy Tax Fund* – Accounts for taxes collected on hotel and motel room rental within the County. These funds are used to promote tourism and for beach nourishment.
 - *Salter Path Special Tax District Fund* – This fund is a special tax district that was established to fund beach nourishment in the Salter Path community.
- **Capital Projects Funds** – The capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.
 - *School Special Projects* – This fund is used for school capital projects and improvements that are completed within one year.
 - *County Capital Reserve* – This fund is used to account for future capital outlays for the benefit of the County.
 - *County Capital Improvements* – This fund is used to account for annual capital projects.
- **Enterprise Fund** – Water Fund accounts for water fees and related contracted cost. In accordance with NC General Statutes, the water fund is budgeted on the modified accrual basis of accounting, and it is reported at year end in the financial statements on the accrual basis of accounting.

▪ Basis of Accounting

All funds are budgeted and maintained on a modified accrual basis in accordance with North Carolina General Statutes. Under this basis, revenues are recognized when measurable and available to be used to pay liabilities of the current period. Primary revenue sources which have been accrued under the modified accrual basis of accounting are sales tax refunds. Expenditures are recognized in the accounting period in which a liability is

incurred, if measurable, except for unmatured principal and interest payments of long term debt that is recognized when due. In addition, all funds are converted from the modified accrual basis of accounting to the accrual basis in accordance with GASB 34 at year end for financial statement purposes. Under the accrual basis, revenues are recognized when they are earned, regardless of the measurement and availability criteria used in the modified accrual basis. Expenses are recognized when they are incurred. The conversion generally involves the accrual of interest expense and compensated absences, the provision for depreciation expense, and adjustment of capital outlay and debt service to the accrual basis.

▪ **Budgetary Control**

Formal budgetary accounting is employed as a management control for all funds of the County. An annual budget ordinance is adopted each fiscal year and amended as required for annual funds. Project budgets spanning more than one fiscal year are adopted or amended as required for specific revenue and capital projects funds such as CDBG and school construction.

Budgetary control is exercised at the department level, with the adoption of the budget by the Board of Commissioners, and at the line item level through accounting controls. The budget officer may amend the budget throughout the year within the limitations stated in the budget ordinance. Also, the board may amend the budget. All budget appropriations, except project ordinances lapse at year end. As required by North Carolina statute, the county maintains an encumbrance system. Encumbrances outstanding at year end represent the estimated amounts of the expenditures ultimately to result if unperformed contracts in process at year-end are completed.

▪ **Budget Process**

The County's annual budget process begins in November with an evaluation of procedures. At this time, it is decided whether any changes are needed in the upcoming year, and if so, planning is begun to implement them. The budget manual is prepared in December or early January which provides documentation and explanation of the budget process and procedures for use by all County departments. This instruction manual includes examples, sample forms, cost information, line account definitions, deadlines, and any relevant policy direction. The Board of Commissioners begins working on goals and objectives for the upcoming fiscal year as well as reviewing the County's five year capital improvements plan. Staff works with the Board on these initiatives.

A budget kick-off training session is held in early January for all staff members who are involved in preparing departmental budgets. At this time, budget manuals are distributed and any training needed by departments is provided as well. Departments have approximately six weeks to prepare their requests, and turn them into the Finance Department the end of February. The department budget request includes operating expenses, capital outlay, and personnel, as well as new initiatives and new positions.

After reviewing the initial departmental budget requests, the manager, assistant manager of finance and administration meet with departments for informal discussion of the request. In March, the Board of Commissioners meet with the manager, assistant manager of finance and administration, and the department heads for informal budget discussion as well. These meetings are informal in nature, and allow questions to be asked of the departments as well as allowing departments to more fully explain and justify their requests. After these meetings are concluded, expenditure decisions are made and the manager's recommended budget is prepared.

The manager's recommended budget is presented to the Board of Commissioners in early May. Budget workshops are conducted throughout May and June. The workshops include sessions with the Carteret County School System, the Community College, the County library system, nonprofit fire and rescue departments and County departments. The County conducts a public hearing in early June as mandated by North Carolina general statute. The Board of Commissioners adopts the annual budget no later than June 30 as mandated by the North Carolina Local Government Budget and Fiscal Control Act (G.S. 159, Article 31) based on the state mandated fiscal year, which runs from July 1 to June 30.

The NC Local Government and Fiscal Control Act establishes the following calendar for legal requirements.

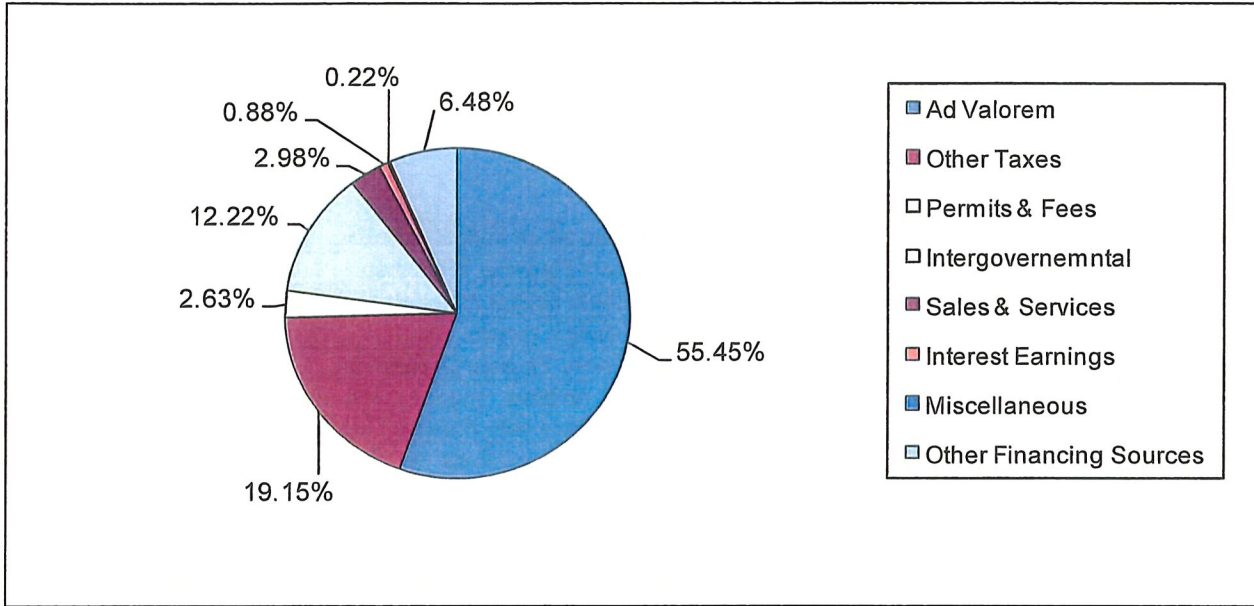
April 30	Department request due
May 15	Community College & School System request due
June 1	Board of Commissioners receives recommended budget
June 30	Board of Commissioners must adopt annual budget

Below is the calendar of the County's budget process.

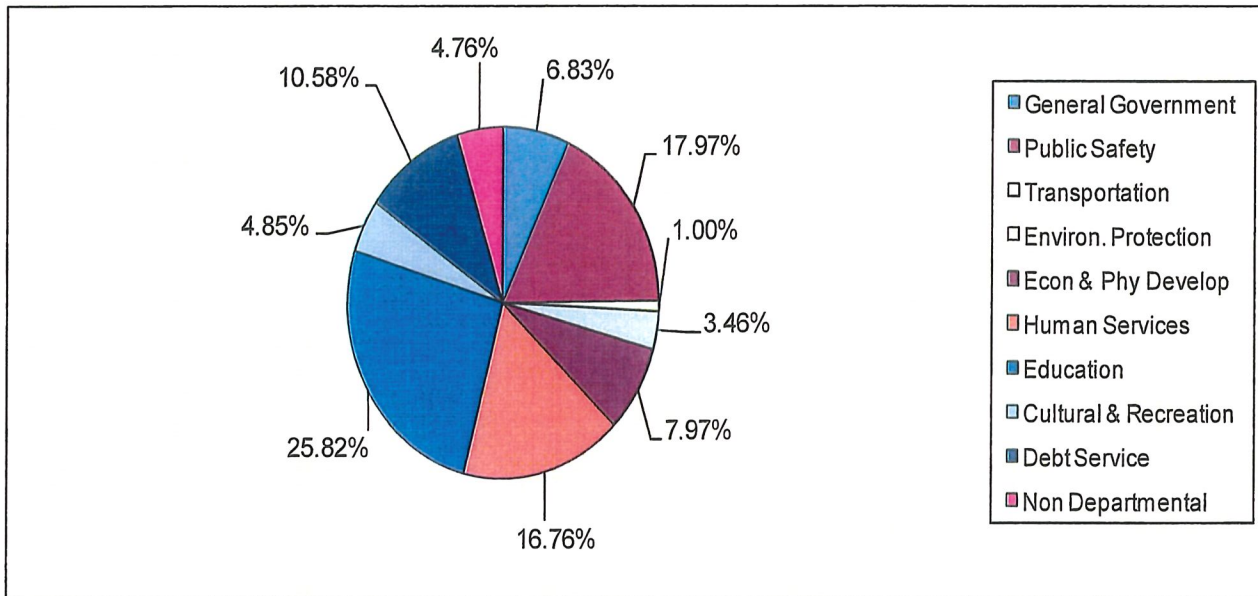
December 1	Board of Commissioners adopt budget calendar
January 7, 2009	Board of Commissioners Planning Workshop
January 13	Staff meeting to distribute budget materials to department head
January 13– February 20	Departments prepare budget request
February 20	Department budgets due to Finance Department
February 21 – March 20	Finance Department reviews request and prepares budget. Department budget meetings with Finance Department
March 16 – April 17	County Manager makes revisions to budget, and Finance Department prepares recommended budget.
March 20	Community College and County Schools budget due to County Manager and Finance Department
May 4	Recommended budget presented to the Board of Commissioners.
Multiple sessions in May and June	Board of Commissioners review recommended budget and conduct budget workshops.
May 24	Advertise public hearing for annual budget.
June 8	Public hearing held by Board of Commissioners
June 22	Board of Commissioners adopt annual budget

Governmental Revenues and Expenditures

Governmental Revenues



Governmental Expenditures



Combined Revenue and Expenditures All Funds Combined

	Actual FY 08	Amended FY 09	Adopted FY 10	Percentage Change FY 09 to FY 10	Percent of Fund Type Total
Governmental Funds					
Revenues					
Ad Valorem	48,699,325	49,953,335	50,085,105	0.26%	55.45%
Other Taxes	22,969,155	21,545,825	17,298,900	-19.71%	19.15%
Permits & Fees	3,079,055	2,814,800	2,372,963	-15.70%	2.63%
Intergovernmental	11,677,153	13,735,558	11,035,084	-19.66%	12.22%
Sales & Services	2,650,004	2,668,722	2,696,320	1.03%	2.98%
Interest Earnings	1,969,817	1,058,900	795,000	-24.92%	0.88%
Miscellaneous	267,994	201,649	196,523	-2.54%	0.22%
Other Financing Sources	9,909,897	9,174,989	5,849,230	-36.25%	6.48%
Total	101,222,400	101,153,778	90,329,125	-10.70%	100.00%
Expenditures					
General Government	5,745,169	6,843,795	6,168,175	-9.87%	6.83%
Public Safety	16,132,558	17,633,064	16,231,270	-7.95%	17.97%
Transportation	858,646	916,141	903,045	-1.43%	1.00%
Environmental Protection	2,879,740	3,173,290	3,124,770	-1.53%	3.46%
Economic & Physical Development	7,222,981	7,752,320	7,196,905	-7.16%	7.97%
Human Services	16,391,072	17,186,257	15,138,305	-11.92%	16.76%
Education	25,551,883	26,473,752	23,326,035	-11.89%	25.82%
Cultural & Recreation	3,383,453	6,507,335	4,384,860	-32.62%	4.85%
Debt Service	9,491,399	9,574,000	9,560,500	-0.14%	10.58%
Non Departmental	5,374,989	5,093,824	4,295,260	-15.68%	4.76%
Total	93,031,890	101,153,778	90,329,125	-10.70%	100.00%
Enterprise Fund					
Revenues					
Operating Revenues	550,255	478,120	493,500	3.22%	70.91%
Non Operating Revenues	311,908	384,721	202,500	-47.36%	29.09%
Total	862,163	862,841	696,000	-19.34%	100.00%
Water Expenditures					
Operating Expenditures	379,620	425,585	444,965	4.55%	63.93%
Nonoperating Expenditures	433,551	437,256	251,035	-42.59%	36.07%
Total	813,171	862,841	696,000	-19.34%	100.00%

Combined Revenue and Expenditure Summary

For explanations for changes and trends, see page 29

	Actual FY 08	Amended FY 09	Adopted FY 10	Percentage Change FY 09 to FY 10	Percent of Fund Total
General Fund					
Revenues					
Ad Valorem	43,303,819	44,098,000	44,150,000	0.12%	59.12%
Other Taxes	15,833,937	14,461,000	10,780,500	-25.45%	14.44%
Permits & Fees	3,079,055	2,814,800	2,372,963	-15.70%	3.18%
Intergovernmental	11,677,153	11,962,558	11,035,084	-7.75%	14.78%
Sales & Services	2,650,004	2,668,722	2,696,320	1.03%	3.61%
Interest Earnings	1,519,179	1,000,000	750,000	-25.00%	1.00%
Miscellaneous	267,994	201,649	195,523	-3.04%	0.26%
Other Financing Sources	2,802,908	3,413,433	2,700,100	-20.90%	3.62%
Total	81,134,049	80,620,162	74,680,490	-7.37%	100.00%
Expenditures					
General Government	5,745,169	6,514,895	6,097,400	-6.41%	8.16%
Public Safety	8,939,445	9,507,778	8,534,070	-10.24%	11.43%
Transportation	858,646	916,141	903,045	-1.43%	1.21%
Environmental Protection	2,830,240	3,173,290	3,124,770	-1.53%	4.18%
Economic & Physical Dev.	2,428,215	2,701,795	2,386,905	-11.65%	3.20%
Human Services	16,391,072	17,186,257	15,138,305	-11.92%	20.27%
Education	21,556,439	22,925,123	21,885,375	-4.54%	29.31%
Cultural & Recreation	3,013,274	3,027,059	2,754,860	-8.99%	3.69%
Debt Service	9,491,399	9,574,000	9,560,500	-0.14%	12.80%
Non Departmental	5,374,989	5,093,824	4,295,260	-15.68%	5.75%
Total	76,628,888	80,620,162	74,680,490	-7.37%	100.00%
E-911 Fund					
Other taxes	489,918	449,525	380,000	-15.47%	
Intergovernmental	-	-	-	0.00%	
Interest	41,050	5,000	-	-100.00%	
Total	530,968	454,525	380,000	-16.40%	100.00%
Expenditures Public Safety	405,437	454,525	380,000	-16.40%	100.00%
Rescue Districts					
Ad Valorem Taxes	1,980,814	2,270,580	2,337,850	2.96%	
Other Taxes	756,539	670,300	526,000	-21.53%	
Interest	13,540	-	-	0.00%	
Other Financing Sources	-	-	12,230	100.00%	
Total	2,750,893	2,940,880	2,876,080	-2.20%	100.00%
Expenditures Public Safety	2,504,490	2,940,880	2,876,080	-2.20%	100.00%

	Actual FY 08	Amended FY 09	Adopted FY 10	Percentage Change FY 09 to FY 10	Percent of Fund Total
Fire Districts					
Ad Valorem Taxes	3,414,561	3,584,755	3,597,255	0.35%	
Other Taxes	1,106,482	940,000	807,400	-14.11%	
Interest	17,847	-	-	0.00%	
Other Financing Sources	-	5,126	36,465	611.37%	
Total	4,538,890	4,529,881	4,441,120	-1.96%	100.00%
Expenditures Public Safety	4,283,186	4,529,881	4,441,120	-1.96%	100.00%
Occupancy Tax					
Occupancy Tax	4,774,241	5,025,000	4,805,000	-4.38%	
Interest	26,922	5,000	5,000	0.00%	
Total	4,801,163	5,030,000	4,810,000	-4.37%	100.00%
Expenditures Economic Development	4,774,241	5,030,000	4,810,000	-4.37%	100.00%
Salter Path District					
Ad Valorem Tax	131	-	-	0.00%	
Other Taxes	8,038	-	-	0.00%	
Interest	1,131	-	-	0.00%	
Other Financing Sources	-	20,525	-	-100.00%	
Total	9,300	20,525	-	-100.00%	100.00%
Expenditures Economic Development	20,525	20,525	-	-100.00%	100.00%
School Capital Projects					
Sales Tax Refund	-	-	1,000	100.00%	
Interest	183,738	30,000	25,000	-16.67%	
Installment Financing	2,000,000	-	-	0.00%	
Other Financing Sources	2,508,000	3,518,629	1,414,660	-59.80%	
Total	4,691,738	3,548,629	1,440,660	-59.40%	100.00%
Capital Outlay	3,995,444	3,548,629	1,440,660	-59.40%	100.00%

	Actual FY 08	Amended FY 09	Adopted FY 10	Percentage Change FY 09 to FY 10	Percent of Fund Total
Capital Reserve Fund					
Interest	28,361	-	-	0.00%	
Other Financing Sources	-	-	-	0.00%	
Total	28,361	-	-	0.00%	0.00%
Expenditures	-	-	-	0.00%	0.00%

Capital Improvements Fund

Intergovernmental	-	1,773,000	-	-100.00%	
Interest	138,049	18,900	15,000	-20.63%	
Other Financing Sources	2,598,989	2,217,276	1,685,775	-23.97%	
Total	2,737,038	4,009,176	1,700,775	-57.58%	100.00%
Expenditures Capital Outlay	419,679	4,009,176	1,700,775	-57.58%	100.00%

Water Fund

Operating Revenues	550,255	478,120	493,500	3.22%	
Non Operating Revenues	311,908	384,721	202,500	-47.36%	
Total	862,163	862,841	696,000	-19.34%	100.00%
Operating Expenditures	379,620	425,585	444,965	4.55%	
Nonoperating Expenditures	433,551	437,256	251,035	-42.59%	
Total Water Expenditures	813,171	862,841	696,000	-19.34%	100.00%

REVENUE AND EXPENDITURE STATEMENTS
FISCAL YEARS 2006 THRU BUDGETED 2010

	2006 Actual	2007 Actual	2008 Actual	2009 Projected	2010 Adopted
GENERAL FUND					
REVENUE					
Ad valorem taxes	34,773,744	37,941,905	43,303,819	43,830,000	44,150,000
Other taxes and licenses	14,440,772	15,082,335	15,833,937	12,764,000	10,780,500
Permits and fees	4,164,371	3,633,685	3,079,055	2,484,000	2,372,963
Intergovernmental	9,939,895	10,350,470	11,677,153	11,555,552	11,035,084
Sales and services	2,589,990	2,566,066	2,650,004	2,643,500	2,696,320
Interest	1,015,818	1,654,298	1,519,179	1,112,000	750,000
Miscellaneous	698,189	269,968	267,994	150,000	195,523
Total Revenue	67,622,779	71,498,727	78,331,141	74,539,052	71,980,390
EXPENDITURES					
Current					
General Government	4,898,195	5,312,246	5,745,169	6,039,115	6,097,400
Public Safety	7,169,204	7,768,130	8,939,445	9,497,930	8,534,070
Transportation	736,491	847,387	858,646	888,639	903,045
Environmental Protection	3,325,090	2,891,843	2,830,240	3,064,525	3,124,770
Economic & Phys. Dev.	1,868,463	2,025,273	2,428,215	2,631,386	2,386,905
Human Services	14,659,109	15,696,967	16,391,072	16,302,073	15,138,305
Cultural & Recreation	2,548,009	2,737,147	3,013,274	2,980,036	21,885,375
Education	18,870,730	20,196,594	21,556,439	22,895,123	2,754,860
Nondepartmental					3,034,460
Debt Services					
Principal	4,175,000	4,785,000	5,922,857	13,243,000	6,330,000
Interest	2,161,065	2,954,302	3,568,542	4,077,000	3,230,500
Total Expenditures	60,411,356	65,214,889	71,253,899	81,618,827	73,419,690
Revenues over (under) expenditures	7,211,423	6,283,838	7,077,242	(7,079,775)	(1,439,300)
OTHER FINANCING SOURCES (USES)					
Operating transfers in	1,235,798	2,394,233	2,692,687	2,348,000	2,454,000
Appropriated Health Reserve F.B.					246,100
Operating transfers out	(3,426,059)	(3,860,504)	(5,374,989)	(2,663,000)	(1,260,800)
Loan Proceeds		-	110,221	7,874,570	
Payment to refunded bond escrow agent		-	-	-	
Total other financing sources (uses)	(2,190,261)	(1,466,271)	(2,572,081)	7,559,570	1,439,300
Revenue & other financing sources over (under) expenditures and other financing uses	5,021,162	4,817,567	4,505,161	479,795	-
FUND BALANCE, BEGINNING	23,255,315	28,276,477	33,094,044	37,599,205	38,079,000
FUND BALANCE ENDING	28,276,477	33,094,044	37,599,205	38,079,000	38,079,000

	2006 Actual	2007 Actual	2008 Actual	2009 Projected	2010 Adopted
EMERGENCY 911 FUND					
REVENUE					
Other taxes & Licenses	568,819	563,992	489,918	580,000	380,000
Interest	16,599	38,336	41,050	15,000	-
Total Revenue	585,418	602,328	530,968	595,000	380,000
EXPENDITURES - Public Safety	421,570	403,105	405,437	454,525	380,000
Revenues over (under) expenditures	163,848	199,223	125,531	140,475	-
Revenue & other financing sources over (under) expenditures and other financing uses	163,848	199,223	125,531	140,475	-
ENDING FUND BALANCE	628,621	827,844	953,375	1,093,850	1,093,850
SALTER PATH DISTRICT FUND					
REVENUE					
Ad Valorem Taxes	19,393	19,449	131	-	-
Other Taxes	8,345	8,564	8,038	30	-
Interest	836	1,564	1,131	-	-
Total Revenue	28,574	29,577	9,300	30	-
EXPENDITURES - Economic & Phys. & Dev.	47,525	20,525	20,525	20,525	-
Revenues over (under) expenditures	(18,951)	9,052	(11,225)	(20,495)	-
OTHER FINANCING SOURCES (USES)					
Transfer from Occupancy Tax Fund	27,000	-	-	-	-
Revenue & other financing sources over (under) expenditures and other financing uses	8,049	9,052	(11,225)	(20,495)	-
ENDING FUND BALANCE	25,051	34,103	22,878	2,383	2,383
RESCUE DISTRICT FUND					
REVENUE					
Ad valorem taxes	1,652,866	1,836,492	1,980,814	2,270,580	2,337,850
Other taxes	649,282	725,639	756,539	569,755	526,000
Interest	-	-	13,540	14,000	-
Total Revenue	2,302,148	2,562,131	2,750,893	2,854,335	2,863,850
EXPENDITURES - Public Safety	2,302,162	2,317,417	2,504,490	2,721,000	2,876,080
Revenues over (under) expenditures	(14)	244,714	246,403	133,335	(12,230)
OTHER FINANCING SOURCES (USES)					
Appropriated Fund Balance	-	-	-	-	12,230
Revenue & other financing sources over (under) expenditures and other financing uses	(14)	244,714	246,403	133,335	-
ENDING FUND BALANCE	41,863	286,577	532,980	419,912	419,912

	2006 Actual	2007 Actual	2008 Actual	2009 Projected	2010 Adopted
FIRE DISTRICT FUND					
REVENUE					
Ad valorem taxes	2,527,530	2,689,491	3,414,561	3,580,000	3,597,255
Other taxes	1,002,700	1,106,028	1,106,482	900,000	807,400
Interest	6,880	-	17,847	8,000	-
Total Revenue	3,537,110	3,795,519	4,538,890	4,488,000	4,404,655
EXPENDITURES - Public Safety	3,529,388	3,458,489	4,283,186	4,250,000	4,441,120
Revenues over (under) expenditures	7,722	337,030	255,704	238,000	(36,465)
OTHER FINANCING SOURCES (USES)					
Appropriated Fund Balance	1,000	2,500	-	-	36,465
Revenue & other financing sources over (under) expenditures and other financing uses	8,722	339,530	255,704	238,000	-
ENDING FUND BALANCE	41,282	380,812	636,516	618,812	618,812
OCCUPANCY TAX FUND					
Revenue					
Other taxes	4,385,694	4,589,896	4,774,241	4,600,000	4,805,000
Interest	8,406	32,558	26,922	10,000	5,000
Total Revenue	4,394,100	4,622,454	4,801,163	4,610,000	4,810,000
EXPENDITURES - Economic & Phy. Development	3,243,349	2,283,262	2,358,249	2,277,000	4,810,000
Revenues over (under) expenditures	1,150,751	2,339,192	2,442,914	2,333,000	-
OTHER FINANCING SOURCES (USES)					
Transfers out	(1,146,599)	(2,339,161)	(2,415,992)	(2,333,000)	-
Revenue & other financing sources over expenditures and other financing uses	4,152	31	26,922	-	-
ENDING FUND BALANCE	8,432	8,463	35,385	35,385	35,385

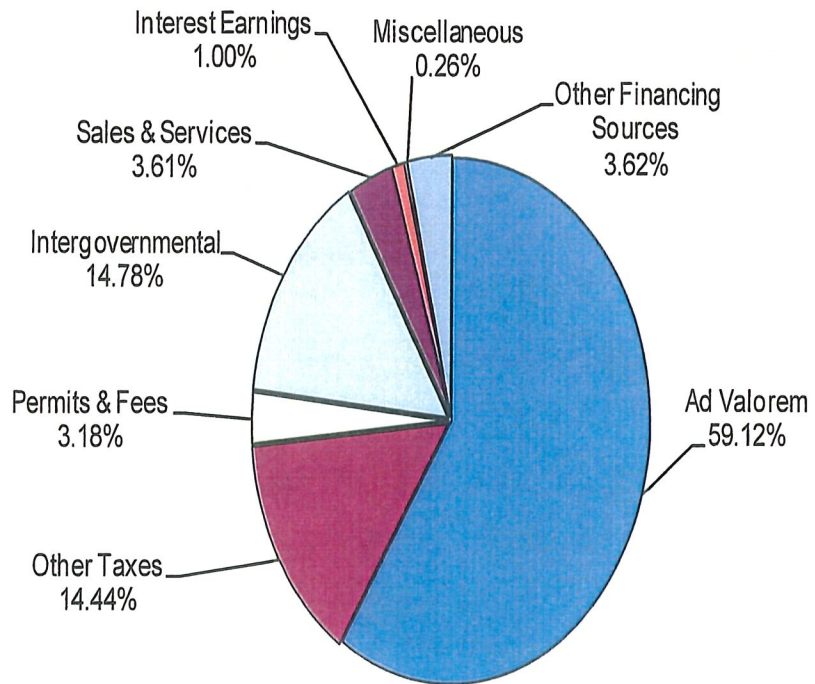
	2006 Actual	2007 Actual	2008 Actual	2009 Projected	2010 Adopted
CAPITAL RESERVE FUND					
REVENUE					
Interest	14,872	29,580	28,361	12,804	-
Proceeds from sale of fixed assets	-	32,000	-	-	-
Total Revenue	14,872	61,580	28,361	12,804	-
EXPENDITURES - Capital Outlay					
	-	-	-	-	-
Revenues over (under) expenditures	14,872	61,580	28,361	12,804	-
Revenue & other financing sources over (under) expenditures and other financing uses	14,872	61,580	28,361	12,804	-
ENDING FUND BALANCE	509,255	570,835	599,196	612,000	612,000

CAPITAL IMPROVEMENTS FUND

REVENUE					
Intergovernmental	218,307	1,202,755	-	1,708,000	-
Proceeds Sale of Land	-	48,936	-	-	-
Interest	15,744	56,614	138,049	50,000	15,000
Total Revenue	234,051	1,308,305	138,049	1,758,000	15,000
EXPENDITURES - Capital Outlay					
	1,490,541	1,346,944	419,679	3,553,918	1,700,775
Revenues over (under) expenditures	(1,256,490)	(38,639)	(281,630)	(1,795,918)	(1,685,775)
OTHER FINANCING SOURCES (USES)					
Transfers in	321,428	1,625,200	2,598,989	150,000	1,685,775
Total Other Financing Sources (Uses)	321,428	1,625,200	2,598,989	150,000	1,685,775
Revenue & other financing sources over (under) expenditures and other financing uses	(935,062)	1,586,561	2,317,359	(1,645,918)	-
ENDING FUND BALANCE	268,748	1,855,309	4,172,668	2,526,750	2,526,750

	2006 Actual	2007 Actual	2008 Actual	2009 Projected	2010 Adopted
SCHOOL CAPITAL FUND					
REVENUE					
Sales Tax Refund	-	-	-	95,886	1,000
Interest	24,956	34,935	183,738	30,000	25,000
Total Revenue	24,956	34,935	183,738	125,886	26,000
EXPENDITURES - Capital Outlay	1,959,191	2,374,959	3,995,444	3,548,629	1,440,660
Revenues over (under) expenditures	(1,934,235)	(2,340,024)	(3,811,706)	(3,422,743)	(1,414,660)
OTHER FINANCING SOURCES (USES)					
Loan Proceeds	-	-	2,000,000	-	-
Transfers in	2,892,691	2,480,292	2,508,000	2,215,000	990,800
Total Other Financing Sources	2,892,691	2,480,292	4,508,000	2,215,000	990,800
Revenue & other financing sources over (under) expenditures and other financing uses	958,456	140,268	696,294	(1,207,743)	(423,860)
ENDING FUND BALANCE	1,279,612	1,419,880	2,116,174	908,431	484,571
WATER FUND					
REVENUE					
Operating Revenues	361,888	493,342	550,256	500,000	493,500
Non Operating Revenues	8,924	180,090	33,908	182,468	7,500
Total Revenue	370,812	673,432	584,164	682,468	501,000
EXPENDITURES					
Operating	308,340	346,447	427,682	425,000	444,965
Capital Expenditures	13,417	158,827	15,704	192,480	-
Debt Service	131,940	263,353	258,235	255,000	251,035
Total Expenditures	453,697	768,627	701,621	872,480	696,000
Revenues over (under) expenditures	(82,885)	(95,195)	(117,457)	(190,012)	(195,000)
OTHER FINANCING SOURCES (USES)					
Transfers in	210,940	289,000	278,000	258,000	170,000
Total Other Financing Sources (Uses)	210,940	289,000	278,000	258,000	170,000
Revenue & other financing sources over (under) expenditures and other financing uses	128,055	193,805	160,543	67,988	(25,000)
ENDING FUND BALANCE	315,846	509,651	670,194	577,639	552,639

Fiscal Year 2010 Governmental Revenues By Category



Notes:

- The graph depicts all County funds except Fire Districts, Salter Path District, Rescue Districts, Occupancy Tax and Enterprise Fund.

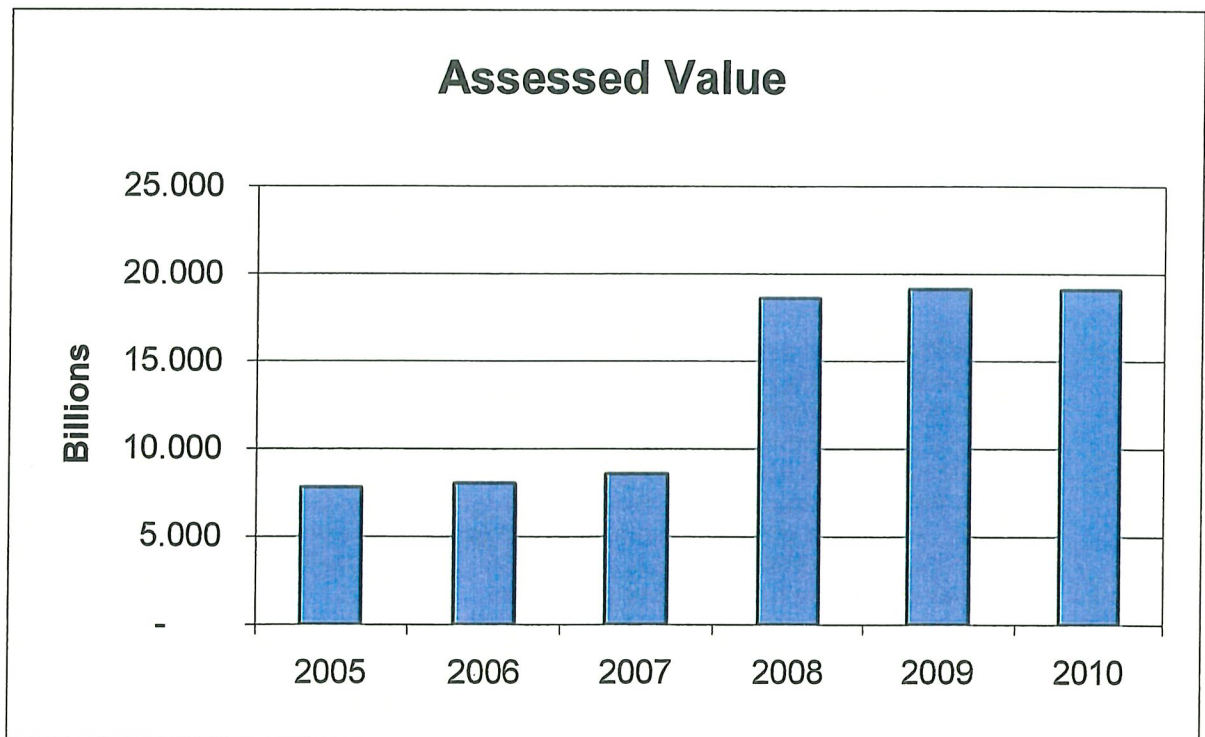
Budget Summary

▪ Revenue Summary By Category

The County receives revenues from many different sources. These various sources have been grouped into eight categories. Below are descriptions and highlights of these categories.

Ad Valorem (Property) Taxes

Ad valorem, or property tax, revenue is based on an adopted tax rate of \$.2300 per \$100 of assessed valuation. This equals \$42,800,000 in general fund revenues. In the general fund, one cent on the tax rate generates approximately \$1,860,000. In addition to the general fund, the County levies special ad valorem taxes for fire and rescue districts. These taxes are accounted for in special revenue funds. See page 245 for a listing of each districts tax rate levied. The County's assessed value has increased approximately 3% to \$19.08 billion. Below is a graph of the County's assessed values over a six-year period. The fiscal year 2010 assessed value is the value used to determine the County's ad valorem tax revenue. The County budgets ad valorem tax collection rate from the latest available audited financial statements.



Note: 2008 reflects revaluation year.

Other Taxes

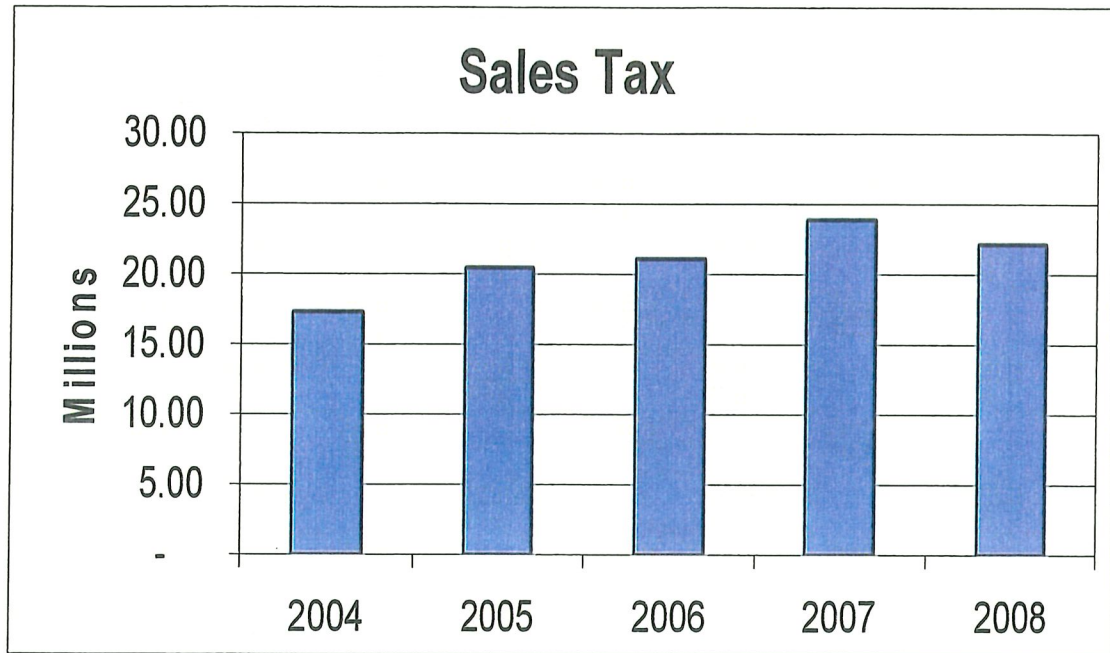
This category consists primarily of sales taxes. These taxes are collected by the state and then returned to the county, less a collections fee, which is deducted before allocations are made. There are four separate sales taxes. We reference sales taxes by their statutory citations in General Statute Chapter 105:

- Article 39 – one percent point of delivery based distribution by the state, authorized 1971, and food is taxable
- Article 40 – one-half percent per capita distribution by the state, authorized 1983, and food is taxable
- Article 42 – one-half percent per capita through September 30, 2009. Beginning October 1, 2009, the state has changed this distribution to point of delivery based distribution, and food is taxable.
- Article 44 – one-half percent (1/4 per capita, 1/4 point of delivery distribution), authorized 2001 by the state to replace repealed reimbursements. The per capita was ceded to the state October 1, 2008 as part of the Medicaid swap, and the point of delivery will be ceded to the state October 1, 2009. Food is not taxable in this article.
- Article 46 – one quarter percent based on point of delivery distribution by the state. The state authorized this article in 2007. Food is not taxable, municipal governments do not receive any proceeds, and this article requires referendum approval. Carteret County has not held a referendum in order to levy this tax, and thus does not receive any Article 46 sales tax.

The economy has a significant impact on the County's sales tax. The County anticipates approximately 15% (\$1.85 million) regression in sales tax distribution during FY 09 from FY 08 net receipts adjusted for the Medicaid swap. Sales tax projections for FY 10 are budgeted 12.5% regression from the FY 08 actual receipts adjusted for the Medicaid relief swap package. The County forecasts that sales tax distributions will represent approximately 14% (\$10.65 million) of the County's general fund revenues.

July 1, 2009 ends the County's participation in Medicaid service costs. After years of county lobbying, the General Assembly enacted a Medicaid relief swap package in its 2008 budget to phase out the county's burden over three years. In exchange, counties conceded 1/2 cent of local sales tax to the state over a two year period. FY 10 will be the second year of giving up the last 1/4 cent of this sales tax.

The distribution of sales tax revenues among local governments in Carteret County is based on relative tax levy. The tax levies for fiscal year 2009 will be used by the state to distribute fiscal year 2010 sales tax. It is estimated the County will receive 69% of the sales tax, then after the rescue and fire district distribution, the general fund will receive approximately 89% of that stated 69%. As stated above, FY 2010, the general fund retained sales tax revenues are budgeted \$10.65 million, a 12.5% decrease from FY 08 actual revenue adjusted for the Medicaid swap. This total area of the general fund budget is 14% of total general fund revenues. Below is a graph demonstrating actual sales tax growth to the County over the last four fiscal years, and fiscal year 2009 is the County's estimated sales tax. The below graph is sales tax distributions to the County before distribution to the municipalities.

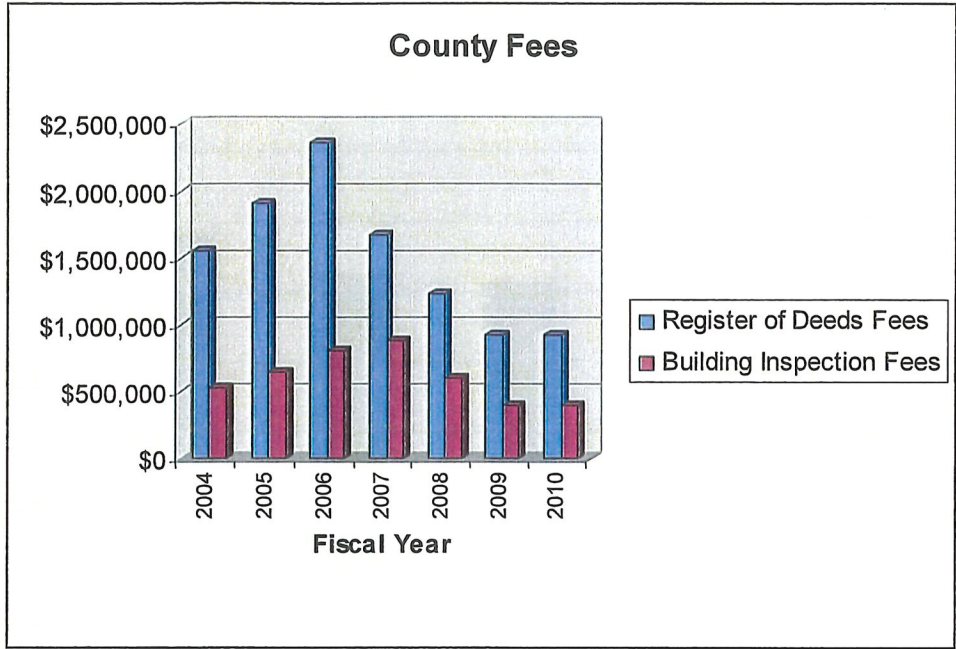


Intergovernmental

This category represents \$11,035,084 or 14.78% of general fund revenues and consists primarily of state and federal grants for human services activities. The fiscal year 2010 budget represents a 7.75% decrease or approximately \$927,474 decrease over the amended 2009 fiscal year budget. The largest single revenue source in this category is state and federal assistance for the Department of Social Services. Court facility fees are in this category and are charged as a part of the cost assessed in each criminal and civil action. The funds are remitted to the County for the use of the courtroom where the judgment is rendered. The budgeted amount for court facility fees is a 14% decrease from amended 2009 fiscal year budget. Also, driving the 7.75% decrease in intergovernmental revenues is the elimination of the ADM/Corporate tax funds. The State withheld the funds from the County in FY 09, and the County did not to budget the funds for FY 10, a \$600,000 reduction in funding. The State adopted its budget after the County's was adopted, and the State's budget withholds these ADM/ Corporate tax funds from counties for FY 10.

Permits and Fees

Accounting for 3.18% or \$2,372,963 of general fund revenues, this category consists primarily of receipts for recording of legal instruments in the Register of Deeds Office and building permits. Permits and fees are budgeted approximately \$440,000 less than the current fiscal year. The economy and specifically the downturn in the housing market, has had a significant impact on fees in for the register of deeds office as well as building permit fees. The decrease is due to the regression of register deeds fees from real estate transactions, and the decline in building inspections permits. These revenues are budgeted based on prior year trends as well as discussions with the County's Technical Review Committee that conducts preliminary meetings with developers, and the committee does not foresee any significant changes in development. The graph below illustrates the decline in fees. Fiscal years 2004 – 2008 are actual, 2009 is estimated and 2010 is budgeted.



Sales and Services

This category includes revenues from user fees from a wide range of services from landfill charges to civic center charges. Solid waste fees are assessed on each dwelling within the unincorporated areas of the County for waste disposal. The recommended fee is \$162.00 for residents without residential pick. This is a \$2 increase from FY 09. The fee increase will generate an additional \$25,000 in revenues. The additional revenues are to offset the \$2 per ton increase in tipping fees that the County will incur in FY 10. A \$10.00 availability fees is charged for all county and municipal improved property owners. These fees are charged annually. The total amount of revenues for this area is \$2,696,320, a 1.03% increase from amended 2009 fiscal year budget.

Investment Earning

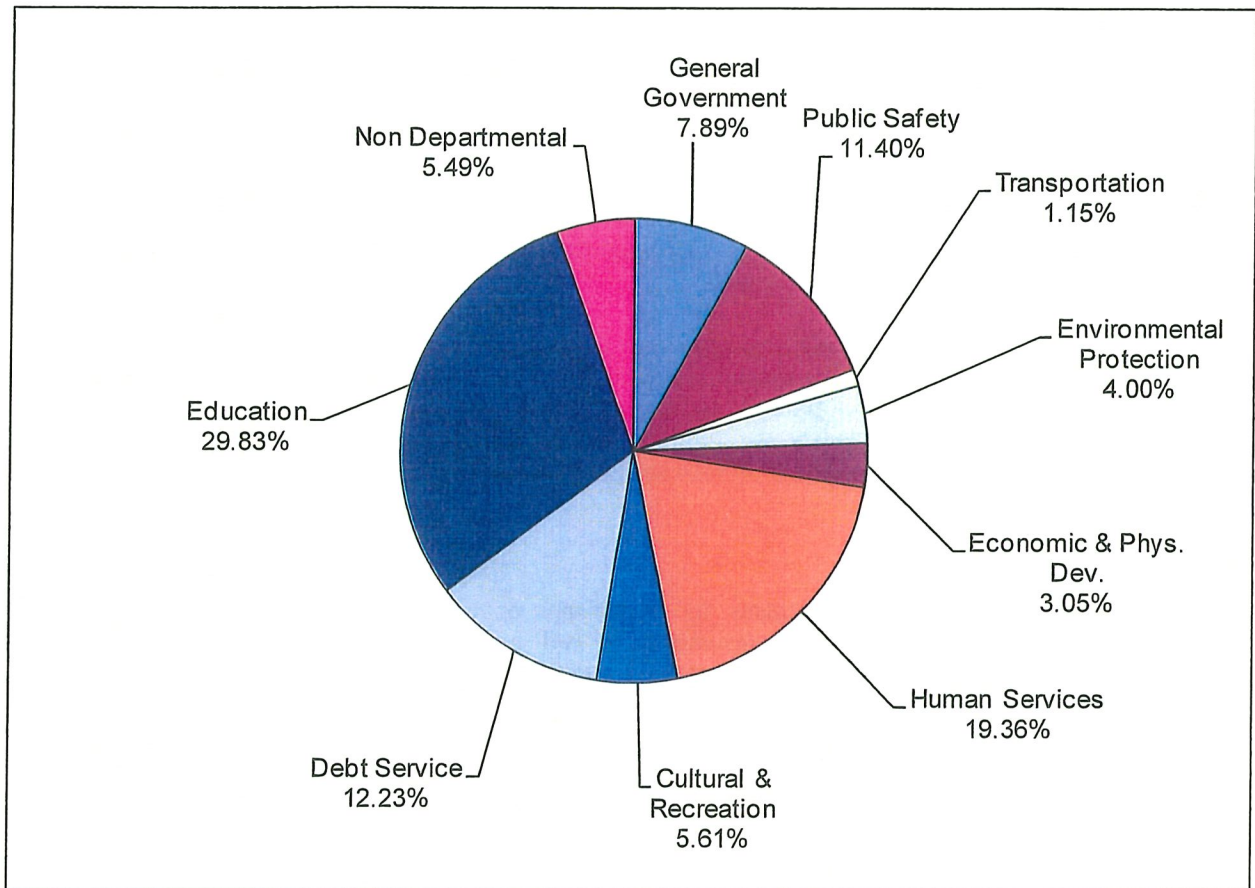
Budgeted investment earnings are \$750,000 for the general fund or 1.00% of general fund revenues. The County has projected a decrease of 25.00% in investment earnings from the previous year. The decrease is based on current market interest rates and that rates are not projected to increase until June 2010 or later.

Other Financing Sources

This category accounts for \$2,700,100 of general fund revenues, and typically includes both inter-fund transfers and fund balance appropriations. The general fund has no fund balance appropriated to balance this budget. On June 30, 2008, the County’s general fund balance was \$37,599,205. Of that amount, \$23,152,988 was undesignated and was 32.49% of general fund expenditures.

Below is a comparison of fiscal year 2010 adopted revenues to the amended fiscal year 2009 budget and fiscal year 2008 actual revenues. This chart combines all funds.

FY 2010 Governmental Expenditures By Service Area



Notes

- The graph illustrates all County funds except Rescue Districts, Fire Districts, Salter Path District, Occupancy Tax and Enterprise Fund.
- Education includes operating expenditures and all capital expenditures
- Public safety includes E-911 Fund.

▪ **Expenditure Summary By Fund**

General Fund	74,680,490
E-911 Fund	380,000
Rescue Districts Fund	2,876,080
Fire Districts Fund	4,441,120
Occupancy Tax Fund	4,810,000
School Special Projects Fund	1,440,660
Capital Improvements Fund	1,700,775
Water Fund	696,000
Total	91,025,125

Expenditures Summary By Service Area, All Funds

Adopted expenditures for fiscal year 2010 total \$91,025,125 a 10.77% decrease from fiscal year 2009 amended budget on December 31, 2008.

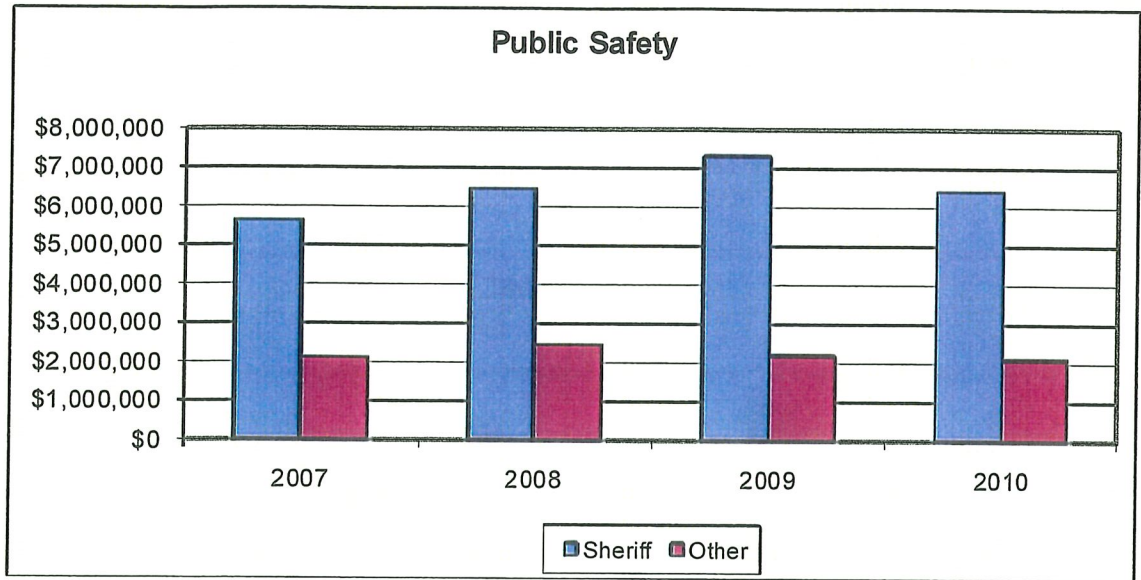
Individual department expenditure comparisons for the fiscal years 2008-2010 begin on page 70. Previous pages illustrate the County’s financial statements from 2006 to the present. The second group of tables illustrates fewer years, but provides the percentage changes for each department in a comprehensive format. The percent change column indicates the percentage change in expenditures from FY 2009 to FY 2010. Below are brief descriptions of each service area, along with highlights of expenditures.

General Government

This service area, which accounts for \$6,097,400 or 6.70% of total expenditures, provides the administrative support of county government, as well as physical plant operations. Its responsibilities relate to the general operation of the county, and funding is provided primarily by tax revenue. The funding level for this service area decrease is 6.41% from FY 2009. Governing Body decrease of 19.71% is due to a reduction in professional liability insurance, a reduction in auditing fees and a transfer of expense to a more appropriate area in the FY 10 budget. Register of Deeds decrease of 17.66% is due to one position has been left unfunded in the FY 10 budget and an additional position and been eliminated.

Public Safety

This area consists of departments that provide law enforcement and other services to protect lives and property of the residents of Carteret County. Also, emergency medical services, emergency management services, and rape crisis are in this area. Public safety accounts for 9.38% of total expenditures or \$8,534,070. Public Safety’s decrease of 10.24% is due to Sheriff Department projects that were completed in fiscal year 2009. Sheriff Communications department decrease of 24.50% is due to the moving of funds to the Sheriff Consolidated Communications department thus their increase of 70.83%. The transfer of funding was due to more appropriate classification of expenditures. The Sheriff Department is the largest division accounting for 75.36% of the expenditures in public safety. Below is a comparison of the Sheriff Department and the other areas for a four-year period. Fiscal years 2007 and 2008 are actual expenditures, fiscal year 2009 is estimated, and 2010 is adopted.



Transportation

This area consists of three departments, the airport authority, harbor authority, and Carteret County Area Transportation (CCATS). The County provides funding for each area operations. The funding for transportation is \$903,045 a 1.43% decrease from last fiscal year.

Environmental Protection

Environmental quality and safety is provided by the programs in this service area, which consists of waste collections, forest fire control, and public works. This area of expenditures is \$3,124,770 or 3.43% of total expenditures. The County’s landfill closed in October 1993, and the County contracts with a private carrier for waste disposal. CRSWMA, the company that the County contracts with for solid waste disposal, increased their tipping fee by \$2 per ton. Public Works did not have any capital requests this year thus decreasing their budget by 3.72%. Overall environmental protection decreased by 1.53% from fiscal year 2009.

Economic and Physical Development

The programs in this service area provide for the orderly planning of growth and development in Carteret County. This area consists of Beach Nourishment, Planning, Engineering, Cooperative Extension, and Soil Conservation. Funding of this service area equals 2.62% of expenditures or \$2,386,905. The function’s decrease of 11.65% from FY 2009 is due to a \$100,000 grant received by Cooperative Extension in FY 09 that is not in the FY 10 budget. Soil Conservation’s decrease of 21.97% is due to the elimination of a part-time employee and reduction in rental expenditures. Soil Conservation will be moving into the County’s new Beaufort Square facility in July and will no longer be paying rent. Current staff located in the facility will be picking up the duties from this position.

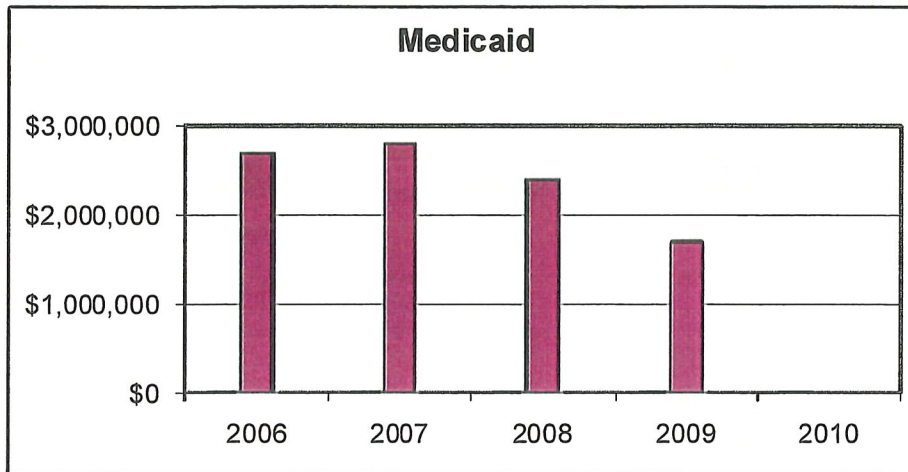
Human Services

Human services include the programs that contribute to the individual needs of citizens in the area for health, veteran’s benefits, aging department activities, and social services. This is the second largest area of expenditures, \$15,138,305 or 16.63% of total expenditures. The Department of Social Services is the largest component of human services, accounting for 67.00% of expenditures in Human Services. The second largest component is health services; largely supported by state and federal funds, many of these programs are mandated by the state and federal government. There is an 11.92% decrease in this area from the prior year.

The County receives Medicaid funding that is put into the custody of the Health department for use in specific Health programs. Over the years, these escrows have accumulated in excessive of a million

dollars. The County will be using a portion of the escrows in FY 10 to reduce local spending. Due to the Medicaid relief plan that was passed by the NC Legislature, FY 09 was the third and final year for County Medicaid expenditures. Therefore, the FY 10 budget has no budgeted expenditures for Medicaid.

Below is a graph of Medicaid funding. Fiscal years 2006, 2007 and 2008 are actual, 2009 is estimated, and 2010 shows that the burden has been eliminated.

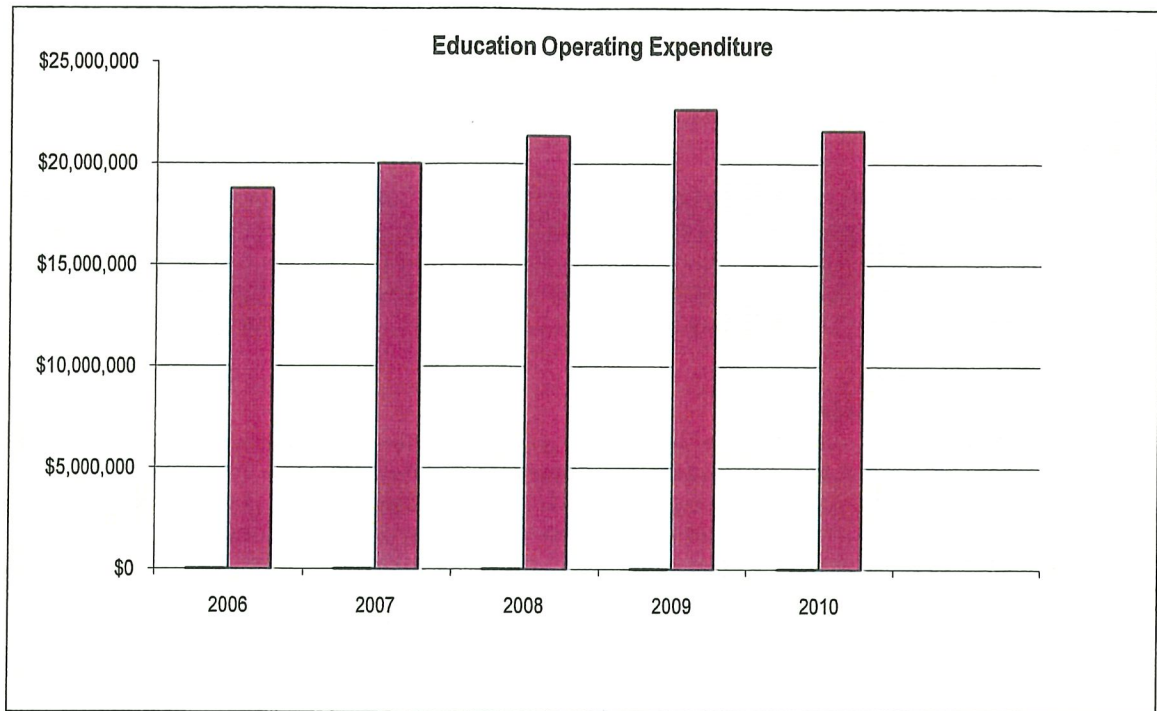


Education

The largest service area in expenditures is education. This area includes Carteret County Schools and Carteret Community College. Operating expenditures are accounted for in the general fund, capital outlay and improvements are accounted for in the schools capital improvement fund, and all debt service is accounted for in the debt service department in the general fund. Education operating, and capital outlay expenditures account for \$21,885,375 or 24.04% of the County's total budget. The school's operating expenditures are \$19,635,375 a 4.71% decrease over last year's budget and capital outlay is \$1,440,660, a 48.56% decrease from FY 09 adopted capital. Adopted FY 09 capital is used as the benchmark for comparison because any previous year unspent capital funds are re-appropriated annually. Therefore, amended capital funding comparisons are distorted and misleading. The County's School Capital Fund represents the County's pay as you go capital and does not include financed projects.

The Community College's operating expenses decreased 2.92% to \$2,025,000. Its capital budget is \$225,000; a 3.74% decrease from FY 09. This 3.74% decrease is misleading. In FY 08, the Community College and the Board of Commissioners established a joint agreement. The Board of Commissioners borrowed \$1.7 million to fund large Community College projects, as a result, the two Boards agreed to a seven year commitment of \$225,000 per year capital funding. The decrease is misleading due to the fact that FY 08 unspent capital funds were re-appropriated to the FY 09 budget.

The estimated daily membership for county schools in fiscal year 2010 is 8,256 students, as compared to 8,292 last year. The adopted budget funds current expense per student is \$2,378 compared to \$2,407 in FY 09. Debt service for the schools is reflected in the debt service department, which totals \$7,837,500. The Community College total debt is \$962,000. Below is a graph for operating expenditures for Carteret County Board of Education and Carteret Community College for the last five fiscal years. Fiscal years 2006, 2007 and 2008 are actual expenditures, fiscal year 2009 is estimated, and 2010 is adopted.



Cultural and Recreation

This area consists of the county libraries, the parks and recreation programs, senior center, and the civic center. This area represents \$2,754,860 or 3.03% of the County’s budget. The funding level for this service area decreased 8.99% due to a Senior Center project completed in fiscal year 2009. Parks and Recreation department’s decrease of 19.46% is due to the restructure of the County’s maintenance program. In order to share resources and use personnel more efficiently, the maintenance division of Parks and Recreation is under the supervision of Public Works effective July 1, 2009.

Other Programs

This area includes many programs that are not related to any particular department or service area. Programs in this service include non-departmental and contributions to other funds. In addition, some of the expenditures in this area are transferred to other programs throughout the year (e.g. merit contingency, vehicle contingency, unemployment contingency, fuel contingency, insurance, and fringe contingency). The amount funded in this area is \$4,295,260 with \$3,034,460 for insurances, vehicles, merits, contingencies, and contingent projects and \$1,260,800 for transfers to other funds.

Other Funds

E-911 Fund

This fund is a special revenue fund that accounts for a special tax assessed to taxpayers in order to provide the 911 services. The fund total is \$380,000. In FY 08 the state capped the 911 telephone surcharge rate at 70 cents per telephone line. In addition, the telephone service providers no longer remit the surcharges to the counties, these funds are now remitted to the state and the state in turn distributes the surcharges to the County. Expenditures decreased 16.40% from FY 09 due to decreases in capital expenditures.

Salter Path Tax District Fund

This special revenue fund was established in fiscal year 2002 for a seven-year period. Its purpose was to levy a special district tax on ocean front property owners for beach nourishment. The Salter Path community is an unincorporated area that lies in the middle of the Town of Indian Beach. In April 2001, the Town of Indian Beach passed a referendum for beach nourishment. Salter Path was a part of this nourishment project, and thus the need for the additional tax. This commitment sunset June 30, 2009, therefore no taxes are levied in FY 10.

School Special Projects Fund

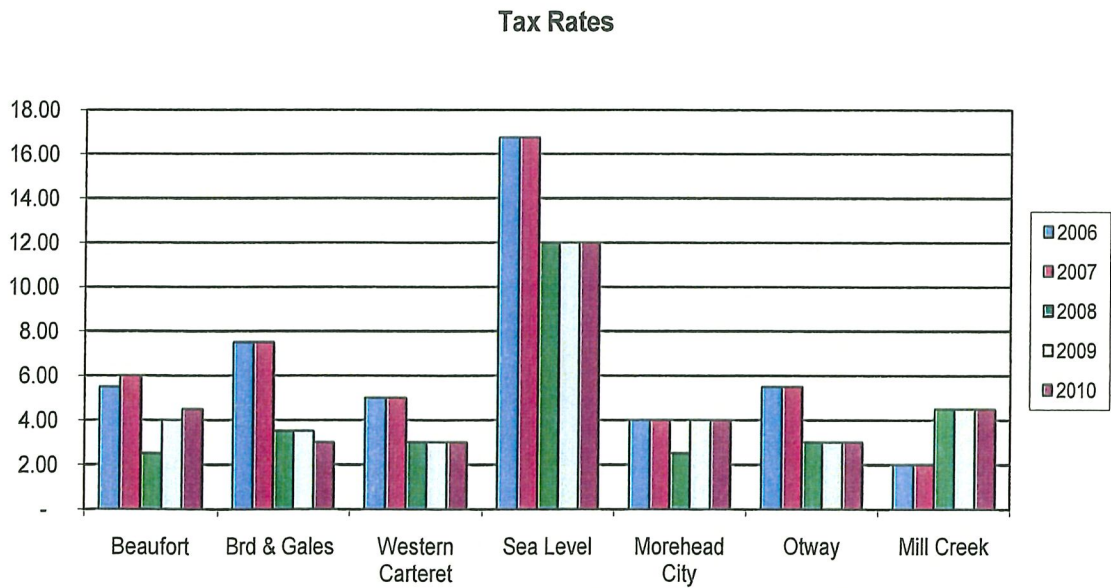
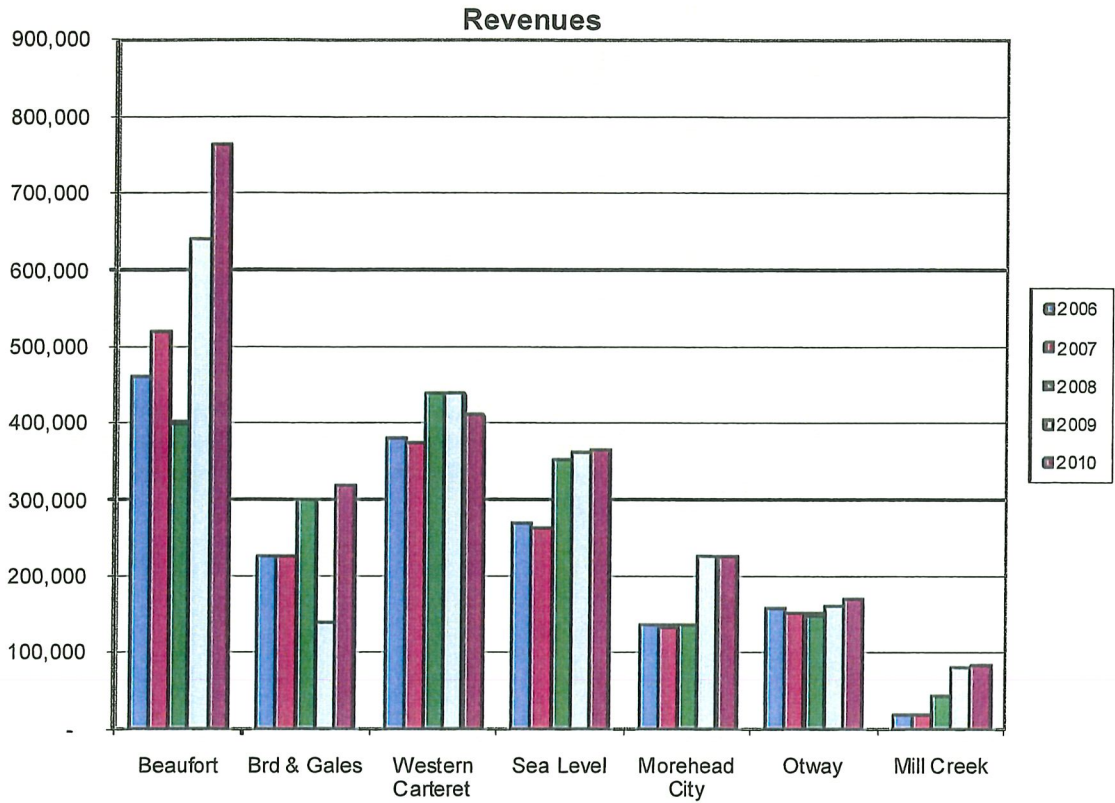
This fund is used to account for all pay as you go school capital improvements. The type of improvements here are safety and accessibility renovations, painting, technology, Category I, Category II, and Category III (vehicles). These projects are in the Capital Improvements Plan (CIP). The County is funding \$1,440,660 of improvements, a 59.40% decrease from FY 09.

Fire Tax Districts Fund

This special revenue fund accounts for the special fire tax assessed on rural areas of the County and is distributed to those districts. The funding for fire districts is \$4,441,120.

Rescue Tax Districts Fund

This special revenue fund accounts for special rescue tax assessed on rural areas of the county and is distributed to those districts. The County does not have a standard of care throughout the county for the level of rescue service provided. Some districts and towns have employed paramedics, while other districts maintain volunteers that are not paramedic level. The funding for rescue districts is \$2,876,080. Below are two graphs, the first is ad valorem tax revenue and the second is tax rate comparisons for the districts for five years. Fiscal years 2006 through 2008 are actual revenues and tax rates; 2009 is estimated revenue and adopted tax rates, and 2010 is adopted revenues and rates by the districts.



Capital Improvements Fund

This fund is used to account for the funding and construction of capital projects. The County's CIP (Capital Improvements Plan) identifies several capital projects for this fiscal year. The adopted budget funds \$1,700,775 in projects. The adopted budget includes \$1,250,000 for the second year of development for the Newport District Park. This project is to be completed this fiscal year. In addition, \$100,000 was adopted for the continuing partnership with Morehead City for water access projects. Other capital projects include bathroom and parking lot improvements for Western Park and aerial mapping of the County.

Water Fund

This fund accounts for the operations of the County's water system. This fund is the County's only enterprise fund. The County has a customer base of approximately 1,400 customers with approximately 950 consuming water. The funding for the water system is \$696,000. The water fund did not have any capital requests this year thus decreasing the budget by 19.34% from FY 09.

**Summary of Expenditures, By Service Areas
All Funds**

	Actual FY 08	Amended FY 09	Adopted FY 10	Percent Change FY 09 to FY 10	Percent of Total
General Fund					
General Government					
Governing Body	463,222	450,480	361,675	-19.71%	
Administration	364,589	402,249	383,745	-4.60%	
Information Systems	642,469	688,731	671,770	-2.46%	
Finance	505,391	613,046	621,100	1.31%	
Human Resources	198,701	241,862	261,660	8.19%	
Tax	1,157,947	1,297,714	1,242,100	-4.29%	
Tax Revaluation	244,880	268,028	254,580	-5.02%	
Legal	74,752	65,000	65,000	0.00%	
Court Facilities	62,684	59,915	52,635	-12.15%	
Elections	386,519	525,849	516,035	-1.87%	
Register of Deeds	480,627	495,243	407,765	-17.66%	
Maintenance	1,163,388	1,406,778	1,259,335	-10.48%	
Total	5,745,169	6,514,895	6,097,400	-6.41%	6.70%
Public Safety					
Sheriff - Criminal Division	3,295,639	3,464,741	3,234,660	-6.64%	
Sheriff - Communications	450,395	615,577	464,765	-24.50%	
Sheriff - Civil Division	192,960	247,275	226,375	-8.45%	
Sheriff - Bailiff Division	135,407	201,785	204,620	1.40%	
Sheriff - Jail Division	2,399,123	2,785,459	2,301,055	-17.39%	
Emergency Medical Service	111,020	161,889	161,560	-0.20%	
Emergency Management	396,855	252,943	229,375	-9.32%	
Paramedic Services	773,047	756,343	726,760	-3.91%	
Rape Crisis	225,545	242,768	229,345	-5.53%	
Domestic Violence	60,395	79,020	40,045	-49.32%	
Fire Marshal	47,226	92,191	84,240	-8.62%	
Consolidated Communications	0	87,845	150,070	70.83%	
Medical Examiner	42,100	55,000	50,000	-9.09%	
Animal Control	809,733	464,942	431,200	-7.26%	
Total	8,939,445	9,507,778	8,534,070	-10.24%	9.38%
Transportation					
Airport	107,517	102,490	83,955	-18.08%	
Harbors	24,567	33,605	28,230	-15.99%	
CCATS	726,562	780,046	790,860	1.39%	
Total	858,646	916,141	903,045	-1.43%	0.99%
Environmental Protection					
Forest Fire Control	115,289	124,000	124,000	0.00%	
Waste Collections	2,299,252	2,283,600	2,263,600	-0.88%	
Public Works	415,699	765,690	737,170	-3.72%	
Total	2,830,240	3,173,290	3,124,770	-1.53%	3.43%

	Actual FY 08	Amended FY 09	Adopted FY 10	Percent Change FY 09 to FY 10	Percent of Total
Economic & Physical Development					
Economic & Physical Development	285,000	275,000	190,000	-30.91%	
Beach Nourishment	701,970	998,170	945,720	-5.25%	
Planning and Development	984,624	955,778	854,150	-10.63%	
Engineering	138,457	144,995	115,550	-20.31%	
Cooperative Extension	247,520	258,535	227,395	-12.04%	
Soil Conservation	70,644	69,317	54,090	-21.97%	
Total	2,428,215	2,701,795	2,386,905	-11.65%	2.62%
Human Services					
Coop. Ext. Grants	41,450	50,540	54,065	6.97%	
Health Services	2,505,603	2,745,382	2,555,410	-6.92%	
Environmental Health	1,117,421	1,202,460	1,102,840	-8.28%	
Aging Programs	356,942	391,683	374,555	-4.37%	
Social Services	11,237,696	11,779,939	10,118,375	-14.11%	
Other Health & Human Services	799,362	600,273	564,000	-6.04%	
Veterans	274,440	356,059	309,410	-13.10%	
Juvenile Restitution	58,158	59,921	59,650	-0.45%	
Total	16,391,072	17,186,257	15,138,305	-11.92%	16.63%
Education					
Schools Current Expense	19,355,211	20,605,372	19,635,375	-4.71%	
Community College Current	1,992,785	2,086,000	2,025,000	-2.92%	
Community College Capital	208,443	233,751	225,000	-3.74%	
Total	21,556,439	22,925,123	21,885,375	-4.54%	24.04%
Cultural & Recreational					
Senior Center	292,389	241,371	203,015	-15.89%	
Library	949,554	980,000	1,010,895	3.15%	
Parks & Recreation Programs	682,065	756,383	609,180	-19.46%	
Parks Maintenance	723,570	681,365	585,810	-14.02%	
Civic Center	365,696	367,940	345,960	-5.97%	
Total	3,013,274	3,027,059	2,754,860	-8.99%	3.03%
Debt Service					
Principal	5,922,857	6,030,000	6,330,000	4.98%	
Interest	3,568,542	3,544,000	3,230,500	-8.85%	
Total	9,491,399	9,574,000	9,560,500	-0.14%	10.50%
Non Departmental					
Transfers to Other Funds	5,374,989	2,963,000	1,260,800	-57.45%	
Non Departmental	0	2,130,824	3,034,460	42.41%	
Total	5,374,989	5,093,824	4,295,260	-15.68%	4.72%

	Actual FY 08	Amended FY 09	Adopted FY 10	Percent Change FY 09 to FY 10	Percent of Total
Total General Fund	76,628,888	80,620,162	74,680,490	-7.37%	82.04%
Other Funds					
E - 911 Emergency Fund	405,437	454,525	380,000	-16.40%	0.42%
Rescue Squads Tax Fund	2,504,490	2,940,880	2,876,080	-2.20%	3.16%
Fire Districts Tax Fund	4,283,186	4,529,881	4,441,120	-1.96%	4.88%
Occupancy Tax Fund	4,774,241	5,030,000	4,810,000	-4.37%	5.28%
Salter Path Tax District Fund	20,525	20,525	0	-100.00%	0.00%
Schools Special Projects Fund	3,995,444	3,548,629	1,440,660	-59.40%	1.58%
Capital Improvements Fund	419,679	4,009,176	1,700,775	-57.58%	1.87%
Water Fund	813,171	862,841	696,000	-19.34%	0.76%
Total All Funds	93,845,061	102,016,619	91,025,125	-10.77%	100%

▪ **Fund Balance**

Fund balance is the accumulated excess of revenues and other financing sources over expenditures and other financing uses for governmental functions. North Carolina statutes state a portion of fund balance is not available for appropriation in the following fiscal year. An adequate fund balance is necessary for numerous reasons, such as to have funds available in case of an emergency or unexpected events, to maintain or enhance the County’s financial position and related bond ratings, to provide cash for operations prior to receipt of property tax revenues, and to maximize investment earnings.

As stated above, not all fund balance is available for appropriation. State statute defines the available amount as “cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts” in Chapter 159-8. Fund balances may also be reserved for specific purposes, such as in special revenue funds where fund balance is for a designated purpose. In the Fund Balance Reserve Policy, included in this report on page 227, the County felt comfortable with general fund balance 15% of expenditures.

On June 30, 2008, general fund undesignated fund balance was 32.5% of general fund expenditures, an increase of \$1.24 million from the prior year. Fund balance steadily increased as the County’s expenditures have increased in an effort to maintain a healthy undesignated percentage. The County has increased fund balance seven consecutive years; however, increasing fund balance FY 09 is not possible. The County budgets conservatively; however, the County did not anticipate the recession as severe as it is nor it lasting this long. In addition, the County did not project 15% regression in sales tax revenues and 25 – 30% regression in fees, such as register of deeds and building inspections. With that stated, the County anticipates undesignated general fund balance decreasing approximately \$160,000, and the percentage of undesignated fund balance as a percentage of expenditures decreasing to 28.75%.

Future expenditures effecting fund balance

In FY 09, the County began county wide 911 consolidation, and expects this consolidated service to be operational fiscal year 2011. In addition to 911 consolidation expense in FY 11, the County will begin annual debt service payments on the last \$9.71 million school GO bonds that will be issued in 2010. It is projected that this expenditure growth will decrease undesignated general fund balance to 26%. This expenditure growth makes it difficult to maintain the undesignated percentage; however, the Board of Commissioners continues its firm commitment to maintaining a healthy fund balance for a county our size and bond rating. The total estimated general fund balance for June 30, 2009 is \$38,079,000 and the estimated percentage of undesignated fund balance to general fund expenditures is 28.75%.

Fund balance is appropriated in two capital funds: \$1,585,775 in the County Capital Improvement Fund and \$423,860 in the School Projects Capital Fund. These funds have accumulated over the years and are designated for specific projects in the applicable funds. There is a small amount of fund balance appropriated in the County’s water fund.

Fund	Estimated Fund Balance 06/30/09	Projected Revenues	Transfers In	Transfers Out	Projected Expenditures	Projected Fund Balance 06/30/10	Projected Changes in Fund Balance
General	38,079,000	71,980,390	2,700,100	1,260,800	73,419,690	38,079,000	0
E-911	1,093,850	380,000	0	0	380,000	1,093,850	0
Salter Path Districts	2,383	0	0	0	0	2,383	0
Fire Districts	618,812	4,404,655	0	0	4,441,120	582,347	(36,465)
Rescue Districts	419,912	2,863,850	0	0	2,876,080	407,682	(12,230)
Occupancy Tax	35,385	4,810,000	0	2,434,000	2,376,000	35,385	0

Fund	Estimated Fund Balance 06/30/09	Projected Revenues	Transfers In	Transfers Out	Projected Expenditures	Projected Fund Balance 06/30/10	Projected Changes in Fund Balance
Occupancy Tax	35,385	4,810,000	0	2,434,000	2,376,000	35,385	0
School Special Projects	908,431	26,000	990,800	0	1,440,660	484,571	(423,860)
Capital Reserve	612,000	0	0	0	0	612,000	0
County Capital Improvement	2,526,750	15,000	100,000	0	1,700,775	940,975	(1,585,775)
Water Fund	577,639	501,000	170,000	0	696,000	552,639	(25,000)

▪ ***Fund Transfers***

The County transfers funds to other funds for various purposes. Below is a schedule of fund transfers.

Transfer to Fund

Transfer From Fund	General	Capital Improvements	Water	School Projects
General		100,000	170,000	990,800
Occupancy	2,434,000			
Project Fund	20,000			
Total	2,454,000	100,000	170,000	990,800

Transfers between annually budgeted funds balance in this document.

Total Budget – All Funds	\$91,025,125
Less Interfund Transfers	<u>(3,714,800)</u>
Net Budget	<u>\$87,310,325</u>

▪ **Debt Service**

The County issues debt for major capital projects. The County utilizes general obligation debt, certificates of participation, and installment financing arrangements. General obligation bonds require voter approval whereas; certificates of participation and installment financing do not. General obligation debt is secured by the taxing authority of the County, and certificates of participation and installment financing are secured by the asset being financed. The County has excellent bond ratings, and the County’s general obligation bond ratings are as follows: Moody’s Investor Service Aa3, Fitch Investors Service AA, and Standard & Poor’s AA. In fiscal year 2005, the County adopted formal debt policies as a part of the County’s overall fiscal policies. These polices begin on page 225.

On July 1, 2009, the County’s governmental debt obligations are \$79,418,210. The County continues to make debt payments on prior year projects such as public school buildings and the community college buildings. As illustrated in the table below, the County’s priority has been to improve our education facilities, and 92% of our debt service budget is for education. In addition to education, the County continues to make debt service payments for the health center, and will begin making payments for County office space improvements and the Beaufort Library expansion and improvements. Debt service is 12% of the County’s general fund budget.

On November 8, 2005, the voters approved a \$50 million school bond referendum. These funds are for school expansions and major renovations. The County projects issuing the remaining \$9.71 million the end of 2009 or early 2010. In addition, the County plans to finance approximately \$2.5 million for renovating a consolidated emergency 911 communications during FY 2010.

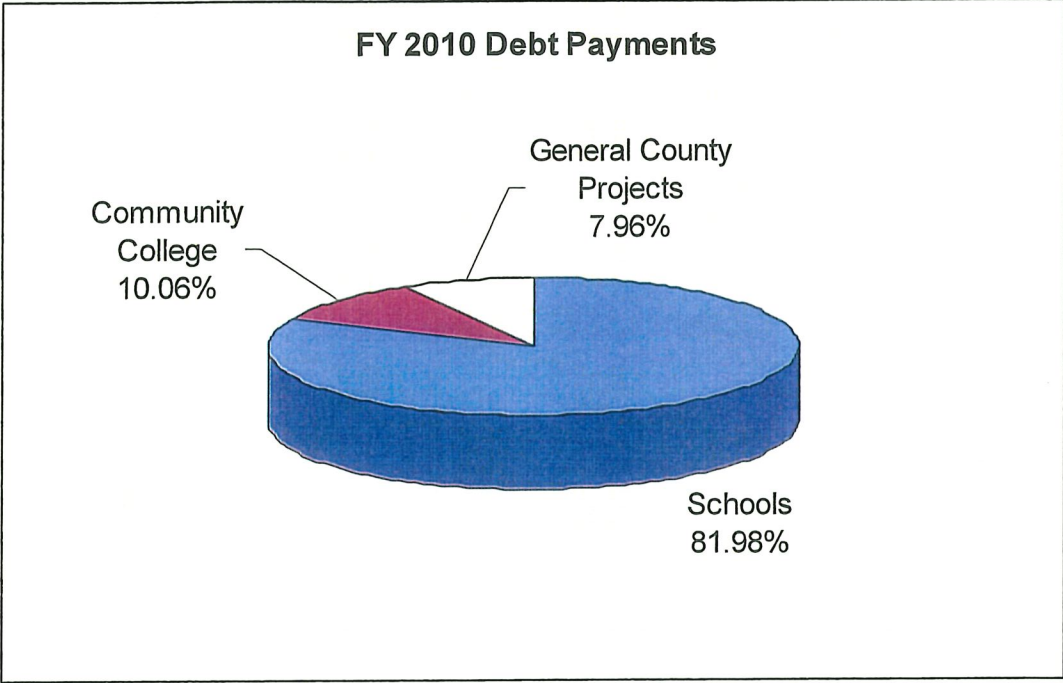
The County continues to make debt payments on its water utility debt that is \$2,814,448 outstanding. The County was awarded \$500,000 state grant for water system improvements FY 09. This grant requires the County fund \$500,000 match, and as a result, the County is considering financing these improvements with a low interest rate state revolving loan.

The County’s legal debt margin is estimated \$1,449,631,052 on June 30, 2009. Under state statutes, the County’s general obligation bonded debt issuances are subject to a legal limitation of 8 percent of total assessed valuation less current debt. Below is the County’s estimated debt margin on June 30, 2009.

Assessed Value	\$19,028,825,652
Debt Limit (8%)	1,522,306,052
Amount of General Obligation & Bonded Debt	62,965,000
General Obligation Bonds Authorized but Unissued	<u>9,710,000</u>
Legal Debt Margin	<u>1,449,631,052</u>

The 2010 budget for general fund debt service payments total \$9,560,500.

Agency	Amount
Carteret County Schools	\$7,868,500
Carteret Community College	962,000
General County Projects	<u>730,000</u>
Total FY 2010	<u>\$9,560,500</u>



The following table illustrates all County debt through maturity. Specific charts and graphs for debt ratios per capita, etc. are located in the appendix.

<i>General Obligation Debt</i>	<i>Issue Date</i>	<i>Call Date</i>	<i>Rate</i>	<i>FY 09-10</i>	<i>FY 10-11</i>	<i>FY 11-12</i>	<i>FY 12-13</i>	<i>FY 13-14</i>	<i>FY 14-15</i>
2002 Community College	12/17/02	2012	4.40	400,000	400,000	400,000	600,000	600,000	600,000
				267,000	251,000	235,000	219,000	193,500	168,000
2004 Refunding of 1995 & 1996 GO Bonds	3/2/04	N/A	2.99	1,840,000	1,835,000	1,875,000	1,820,000	1,390,000	1,360,000
				547,148	455,148	363,398	269,648	205,948	155,560
2006 School GO Bonds	4/4/06	2016	4.34	650,000	650,000	650,000	650,000	1,350,000	1,350,000
				914,562	888,562	862,562	836,562	807,312	739,812
2007 School GO Bonds	4/27/07	2017	4.11	700,000	700,000	700,000	700,000	700,000	700,000
				702,525	674,525	646,525	618,525	590,525	562,525
2009 School GO Bonds									
Certificates of Participation									
2000 Newport Middle	4/5/00	2010	5.40	725,000					
				36,975					
2002 COPS	08/08/02	2012	4.22	585,000	580,000	580,000	575,000	445,000	445,000
				265,296	244,821	223,796	202,046	179,765	161,520
Total GO Debt & COPS				4,900,000	4,165,000	4,205,000	4,345,000	4,485,000	4,455,000
				2,733,506	2,514,056	2,331,281	2,145,781	1,977,050	1,787,417
Installment Financing									
Health Center Renovations	9/21/01	N/A	3.35	300,000	300,000	300,000			
				10,050	20,100	10,050			
Community College	2007	N/A	4.26	242,857	242,857	242,857	242,857	242,857	
				51,729	41,383	31,037	20,691	10,346	
Schools Technology	2007	N/A	4.44	400,000	400,000	400,000			
				53,040	35,360	17,680			
Qualified Zone Academy Bonds	2006	N/A	0.00	111,334	111,334	111,334	111,334	111,334	111,334
Qualified Zone Academy Bonds	9/26/08	N/A	0.00	115,000	115,000	115,000	115,000	115,000	115,000
EMS Technology	4/21/08	N/A	3.35	19,570	63,000				
				868	2,111				
2000 COPS Refunding / Beaufort	5/21/09	N/A	3.59	240,000	970,000	960,000	950,000	940,000	930,000
				334,483	324,357	289,534	255,070	220,965	187,219
Total Installment Financing				1,428,761	2,202,191	2,129,191	1,419,191	1,409,191	1,156,334
				450,170	423,311	348,301	275,761	231,311	187,219
Total Governmental Debt Service				6,328,761	6,367,191	6,334,191	5,764,191	5,894,191	5,611,334
				3,183,676	2,937,367	2,679,582	2,421,542	2,208,361	1,974,636
Utility Fund Debt									
NC Clean Water Fund	5/1/2004		5.75	31,032	31,032	31,032	31,032	31,032	31,032
				24,981	23,196	21,412	19,628	17,843	16,059
NC Water Revolving Loan	6/1/2006		2.025	140,000	140,000	140,000	140,000	140,000	140,000
				52,479	49,392	46,305	43,218	40,131	37,044
Total Utility Debt				171,032	171,032	171,032	171,032	171,032	171,032
				77,460	72,588	67,717	62,846	57,974	53,103

<i>General Obligation Debt</i>	<i>FY 25-26</i>	<i>FY 26-27</i>	<i>Total All Years</i>
2002 Community College			6,000,000
			1,731,000
2004 Refunding of 1995 & 1996 GO Bonds			12,970,000
			2,148,768
2006 Schol GO Bonds	1,250,000		20,050,000
	54,688		8,939,687
2007 School GO Bonds	1,200,000	500,000	16,900,000
	71,650	21,250	7,278,300
2009 School GO Bonds			-
			-
Certificates of Participation			
2000 Newport Middle			725,000
			36,975
2002 COPS			6,320,000
			1,858,755
Total GO Debt & COPS	2,450,000	500,000	62,965,000
	126,338	21,250	14,715,184
Installment Financing			
Health Center Renovations			900,000
			40,200
Community College			1,214,285
			155,186
Schools Technology			1,200,000
			106,080
Qualified Zone Academy Bonds	-	-	1,447,332
Qualified Zone Academy Bonds	-	-	1,781,354
EMS Technology			82,570
			2,979
			9,275,000
			2,057,504
Total Installment Financing	-	-	15,654,187
	-	-	2,361,949
Total Governmental Debt Service	2,450,000	500,000	68,019,187
	126,338	21,250	23,183,646
Utility Fund Debt			
NC Clean Water Fund			403,416
			185,572
NC Water Revolving Loan	140,000		2,380,000
	3,087		472,311

Human Resources

Below is a summary of employee positions for fiscal years 2006 through 2010.

An explanation of changes are in the respective program summaries.

Department	FY 2010	FY 2009	FY 2008	FY 2007	FY 2006
General Fund					
General Government					
Administration	4	4	5	4	4
Information Systems	3	3	3	3	3
Finance	9.6	8.6	7.6	7.6	8.3
Human Resources	2.8	2.4	2.4	2	1
Tax	20	20	19	18	17
Tax Revaluation	4	4	4	5	4
Elections	3	3	4	4	4
Register of Deeds	6	7	7	7	7
Public Buildings	14	14	14	13	13
General Government Total	66.4	66	66	63.6	61.3
Public Safety					
Sheriff/Jail	81	84	82	74	74.75
Communications	10	10	10	10	10
EMS	2.38	2.38	2.38	2.38	1
Consolidated Communications	1	1	0	0	0
Paramedic	9	9	9	9	9
Emergency Management	2.55	1.55	1.55	1.55	3
Fire Marshal	1.07	1.07	1.07	1.07	1
Rape Crisis	3	3	3	3	3
Animal Control	4.3	4.25	4	4	4
Public Safety Total	114.3	116.25	113	105	105.75
Transportation					
CCATS Transportation	2	2	2	2	2
Transportation Total	2	2	2	2	2
Environmental Protection					
Public Works	7	7	6	6	5.8
Environmental Protection Total	7	7	6	6	5.8
Economic & Physical Development					
Beach Nourishment	1	1	1	1	1
Planning and Development	14	15	15	15	14
Engineering	1	1.4	1.4	1	1
Soil Conservation	1	1	2	2	2
Economic & Physical Development Total	17	18.4	19.4	19	18

Department	FY 2010	FY 2009	FY 2008	FY 2007	FY 2006
Human Services					
Health Center	37.8	38.8	38.8	37.6	37.45
Environmental Health	19.7	19.75	19	19	16.7
Smart Start Grants	1	1	1	1	1
Social Services	101	101	99	96	91
Juvenile Restitution	1	1	1	1	1
Veterans	6	6	5	5	5
Aging	3.08	4	4	3	3
Human Services Totals	169.58	171.55	167.8	162.6	155.15
Culture and Recreation					
Senior Center	1.92	2	2	2	2
Parks and Recreation	15	15	16	15	15
Civic Center	4	4	4	4	4
Culture and Recreation Total	20.92	21	22	21	21
General Fund Total	397.2	402.2	396.2	379.2	369
E-911 Fund	0	1	1	1	1
Water Fund	4.4	4.4	4.4	3.7	3.7
Total All Funds	401.6	407.6	401.6	383.9	373.7

Employee Positions

Below is a detail of employee positions by department for fiscal year 2010.

<u>Position Title</u>	<u>Position Count</u>
Administration:	
County Manager	1
Assistant County Manager	1
Clerk to the Board	1
Deputy Clerk to the Board	<u>1</u>
Total	4
Information Systems:	
Director	1
Network Administrator	<u>2</u>
Total	3
Finance:	
Director of Finance	1
Assistant Finance Director	1
Accounting Services Sup.	2
Staff Accountant	1.4
Budget & Cost Accountant	1
Accounting Assistant	1
Finance Technician - Accounts Payable	1
Senior Finance Technician - Payroll	1
Administrative Assistant	<u>0.2</u>
Total	9.6
Human Resources:	
Human Resources Director	1
Senior Administrative Assistant	0.8
Safety Coordinator/Loss Control Specialist	<u>1</u>
Total	2.8
Tax:	
Tax Administrator / Collector	1
Assistant Tax Administrator	1
Billing & Collections Managing Director	1
Tax Collections Supervisor	1
Tax Customer Service Supervisor	1
Senior Appraiser	1
Appraiser	2
Business Property Appraiser	1
GIS Administrator	1
Senior Tax Customer Service Rep.	1
GIS Technician	1
Tax Customer Service Rep.	7
Senior GIS Technician	<u>1</u>
Total	20
Tax Revaluation:	
Revaluation Appraiser	3
Tax Customer Service Representative	<u>1</u>
Total	4
Elections:	
Elections Director	1
Elections Specialist II	1
Deputy Elections Director	<u>1</u>
Total	3

<u>Position Title</u>	<u>Position Count</u>
Register of Deeds:	
Register of Deeds	1
Assistant Register of Deeds	1
Deputy Register of Deeds III	2
Deputy Register of Deeds II	1
Deputy Register of Deeds I	1
Total	6
Public Buildings:	
Public Building Director	1
Mail Clerk	1
Maintenance Technician	4
Maintenance Assistant	8
Total	14
Sheriff Department:	
Sheriff	1
Chief Deputy Sheriff	1
Chief Detective	1
Deputy Sheriff - Division Administrator	1
Deputy Sheriff - Special Assignment Captain	1
Deputy Sheriff - Special Assignment Lt.	4
Deputy Sheriff - Special Assignment Sgt	4
Deputy Sheriff - Special Assignment	12
Concealed Weapons/Sex Offender Registry Officer	1
Deputy Sheriff	16
Office Assistant	1
Senior Administrative Assistant	1
Senior Administrative Support Specialist	1
Chief Bailiff	1
Bailiff	2
Court Liasion/Jail Population Reduction	1
Detention Center Administrator	1
Detention Center Administrative Officer	1
Detention Center Asst. Administrator	1
Detention Shift Supervisor	4
Senior Detention Officer	4
Detention Officer	21
Total	81
Communications:	
Communications Supervisor	1
Lead Telecommunicator	1
Telecommunicator	8
Total	10
Emergency Medical Services:	
EMS Coordinator	1
Administrative Assistant	1
Total	2
Paramedic:	
Paramedics Shift Leader	2
Paramedics	7
Total	9
Emergency Management:	
Emergency Management Director	1
Deputy Emergency Management Director	1
E911 Adress Administrator	1
Total	3

<u>Position Title</u>	<u>Position Count</u>
Consolidate Communications:	
E911 Communications Manager	1
Total	1
Fire Marshal:	
Fire Marshal	1
Total	1
Rape Crisis:	
Program Director	1
Sexual Assault Counselor/Direct Services Coordinator	1
Rape Prevention Coordinator	1
Total	3
Animal Control:	
Animal Control Officer II	3.3
Office Assistant V	1
Total	4.3
CCATS-Transportation:	
Transportation Coordinator	1
Administrative Support Specialist	1
Total	2
Public Works:	
Public Works Director	1
Field Supervisor	1
Heavy Equipment Operator	2
Equipment Mechanic I	1
Equipment Mechanic II	1
Senior Administrative Support Specialist	1
Total	7
Beach Nourishment:	
Shore Protection Officer	1
Total	1
Planning and Development:	
Planning & Development Director	1
Assistant Planning Director	1
Planner	1
Administrative Support Specialist	2
Planning Code Enforcement Officer	1
Planning Technician	1
Building Code Administrator	1
Building Code Enforcement Officer III	1
Building Code Enforcement Officer I	4
Senior Administrative Support Specialist	1
Total	14
Engineer:	
Engineer	1
Total	1
Soil Conservation:	
District Conservation Technician	1
Total	1

<u>Position Title</u>	<u>Position Count</u>
Health Department:	
Public Health Director	1
Local Public Health Administrator	1
PHN Director I	1
Nurse Practitioner	1.6
LPN II	3
Med. Lab Tech. II	1
Med. Lab Asst. III	1
PHN II	5
Social Worker II	2.8
Bioterrorism Coordinator	0.6
Nutritionist III	1
Nutritionist II	1
Public Health Educator I	1
Information & Communication Specialist II	1
Foreign Language Interpreter	1
Accounting Tech. II	1
Personnel Officer I	1
Administrative Asst. II	1
Public Information IV	1
Patient Relations Rep. IV	3
Office Assistant IV	1
Processing Assistant III	3
Office Work Supervisor	2
Dental Assistant	<u>0.8</u>
Total	36.8
Environmental Health:	
Environmental Health Supervisor III	1
Environmental Health Program Specialist	3.7
Environmental Health Specialist	12
Office Assistant V	1
Office Assistant IV	<u>2</u>
Total	19.7
Smart Start Grant:	
Breastfeeding Educator	<u>1</u>
Total	1
Social Service Administration:	
Social Services Director	1
Accounting Technician II	2
Attorney	1
Data Entry Operator II	1
Administrative Assistant	1
Income Maintenance Caseworker II	33
Income Maintenance Caseworker III	1
Income Maintenance Investigator II	1
Income Maintenance Supervisor II	3
Office Assistant III	2
Processing Assistant III	2
Public Information Assistant IV	2
Accounting Clerk IV	4
Deputy Social Services Director	1
Social Worker I A&T	13
Social Worker I	1
Social Worker II	11
Social Worker III	13
Social Work Supervisor II	1
Social Work Supervisor III	4

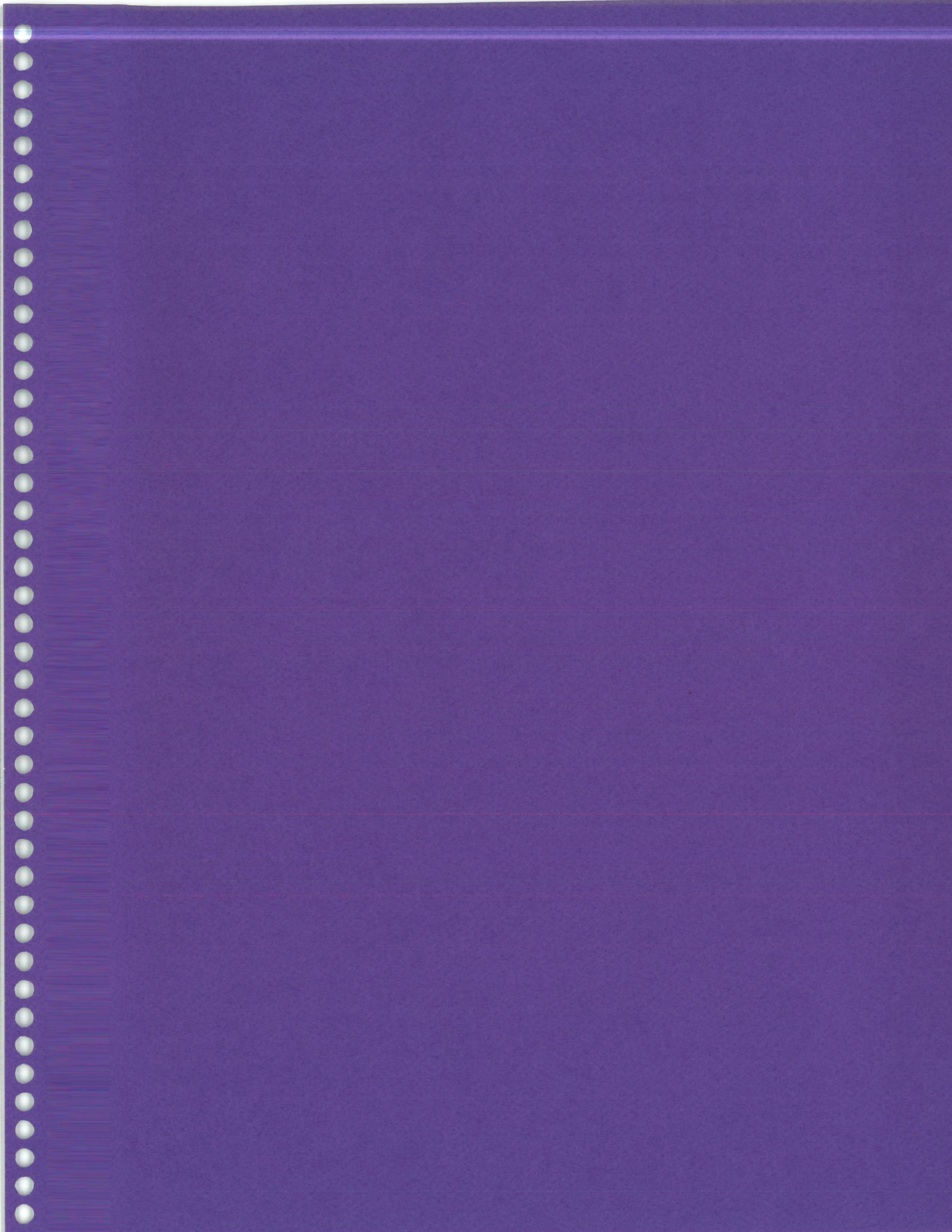
<u>Position Title</u>	<u>Position Count</u>
Social Service Administration:	
OWU Supervisor V	1
Community Social Service Tech.	2
Computer Systems Administrator II	<u>1</u>
Total	102
Juvenile Restitution:	
Program Administrator	<u>1</u>
Total	1
Veterans:	
File Clerk	1
Office Assistant	2
Senior Administrative Assistant	1
Veterans Service Officer	1
Administrative Support Specialist	<u>1</u>
Total	6
Aging Services:	
Health and Wellness Coordinator	0.83
Customer Relations Coordinator	0.75
Senior Admin. Support Specialist	1
Office Assistant	<u>0.5</u>
Total	3.08
Senior Center:	
Customer Relations Coordinator	0.25
Health and Wellness Coordinator	0.17
Office Assistant	0.5
Senior Services Director	<u>1</u>
Total	1.92
Parks and Recreation:	
Parks & Recreation Director	1
Assistant Parks & Recreation Director	1
Recreation Program Supervisor	1
Athletic Program Supervisor	1
Programs Superintendent	1
Senior Administrative Support Specialist	1
Western Park Community Center Supervisor	<u>1</u>
Total	7
Parks and Recreation - Maintenance:	
Park Maintenance Superintendent	1
Parks Maintenance Foreman	1
Park Maintenance Technician	<u>6</u>
Total	8
Civic Center:	
Civic Center Director	1
Senior Administrative Support Specialist	1
Civic Center Operation Technician	1
Civic Center Operation Assistant	<u>1</u>
Total	4
TOTAL GENERAL FUND	397.2

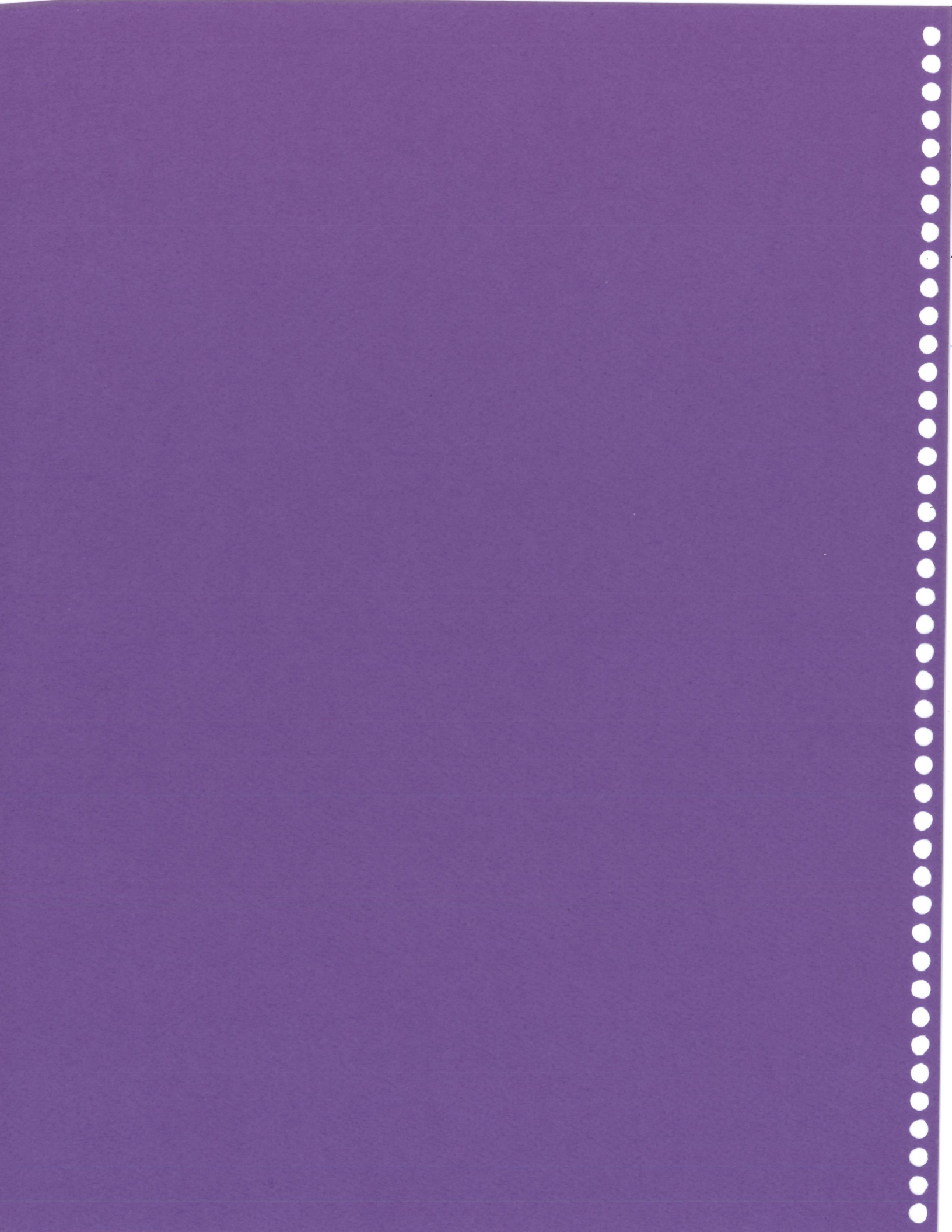
<u>Position Title</u>	<u>Position Count</u>
Water Fund:	
Lead Water Plant Supervisor	1
Lead Water Plant Operator	1
Utilities Technician	1
Water Billing Technician	0.7
Customer Service Rep.	<u>0.7</u>
Total	4.4
GRAND TOTAL	401.6

• **Capital Equipment & Capital Improvements**

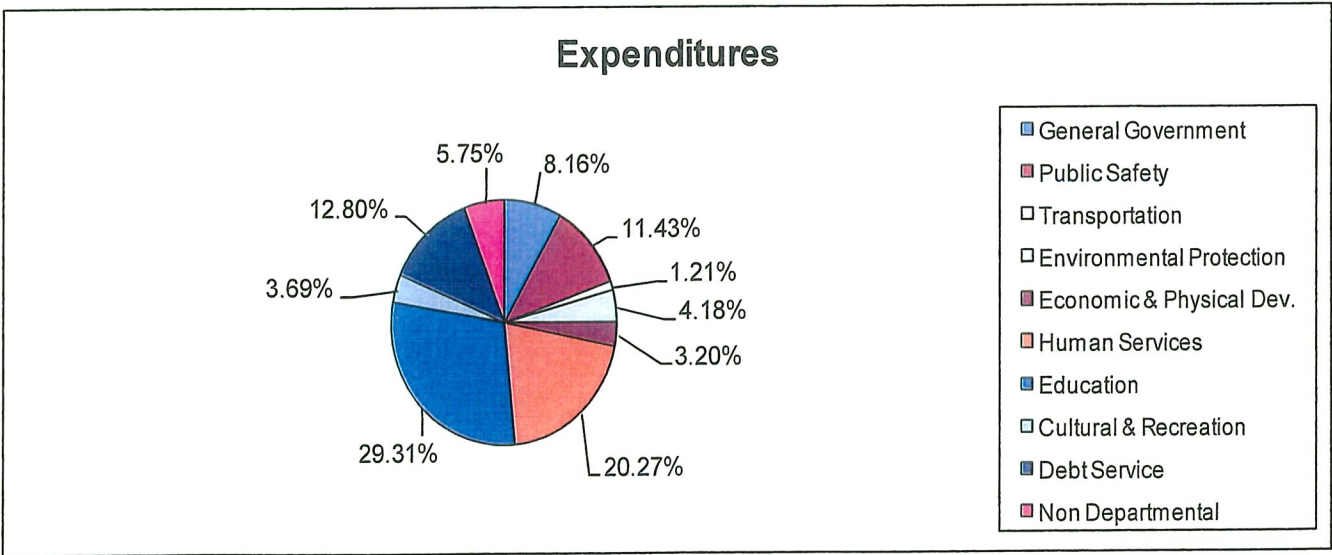
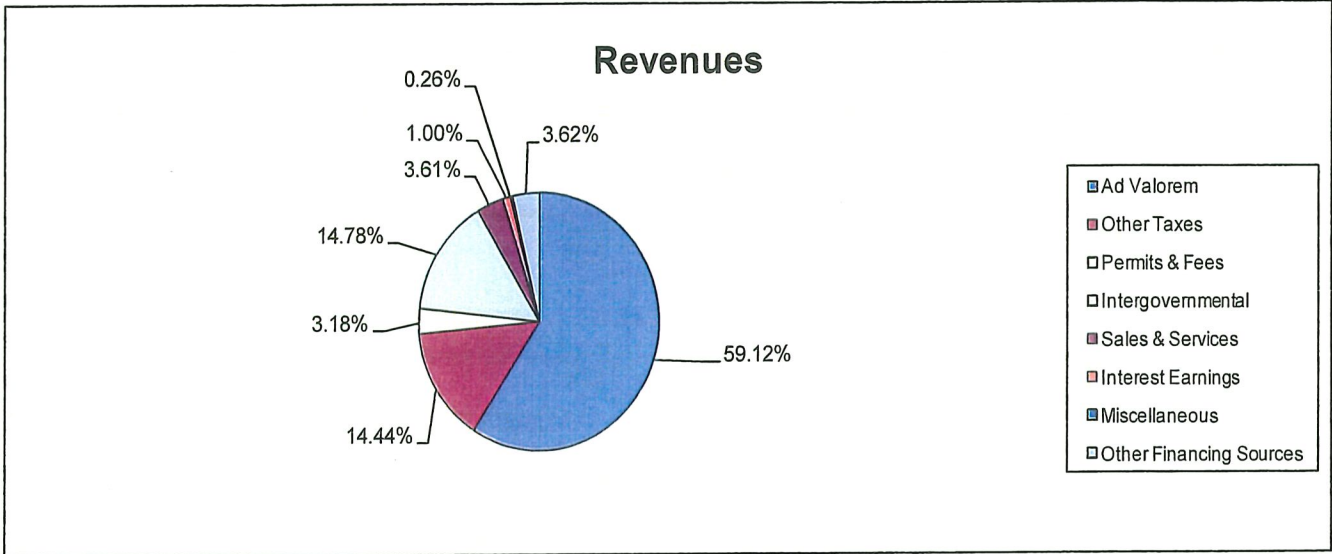
Capital equipment is defined as an asset that costs \$5,000 or more with a useful life greater than one year. Capital improvements are improvements that extend the useful life of a building or infrastructure for more than one year and cost \$100,000 or more. Following is a list of all capital equipment purchases and capital improvements by fund.

General Government	Items	Department Total
Tax	Aerial Maps	\$ 70,775
Register of Deeds	Technology Enhancements	39,525
Sheriff Department	8 Vehicles	160,000
Emergency Management	Mobile Communications Tower for Mobile Command B	15,000
Paramedics	Upgrade Cardiac Monitors	30,000
Animal Control	Local Grant Match for FAA capital project	16,665
CCATS	3 Lift Equipped Vans	186,600
Planning	Vehicle	20,000
	Phase II of Permit/Planning Software	15,120
Social Services	Vehicle	18,000
Parks and Recreation	Zero Turn Mower	10,000
	Storage Building 24'X24'	5,000
Total General Government		\$ 586,685
E-911 Fund	Communications Equipment	20,000
Grand Total		\$ 606,685





General Fund



The General Fund is the primary operating fund of the County and is also the central focus of the budget process. It is by far the largest fund, and as such, receives the greatest amount of attention. According to generally accepted accounting principles for government, the General Fund is used to account for all financial resources except those required to be accounted for in another fund.

The General Fund is grouped into the following function areas: general government, public safety, transportation, environmental protection, economic and physical development, human services, education, cultural and recreation, and debt service.

The following pages contain budgetary information of each of these departments. Each department is described in a narrative statement, followed by prior year accomplishments and current year objectives. Functional areas are separated by a divider page that lists the departments within that function. The financial information is shown for the following periods: June 30, 2008 actual, fiscal year 2009 amended budget as of December 31, 2008, requested, recommended and adopted fiscal year 2010. The percentage change column is the percentage change from fiscal year 2009 amended to the fiscal year 2010 adopted.

Below is a summary of General Fund adopted revenue sources and expenditures by function for FY 2010.

Revenues		Expenditures	
Ad Valorem	\$ 44,150,000	General Government	\$ 6,097,400
Other Taxes	10,780,500	Public Safety	8,534,070
Permits & Fees	2,372,963	Transportation	903,045
Intergovernmental	11,035,084	Environmental Protection	3,124,770
Sales & Services	2,696,320	Economic & Physical Development	2,386,905
Interest Earnings	750,000	Human Services	15,138,305
Miscellaneous	195,523	Education	21,885,375
Other Financing Sources	<u>2,700,100</u>	Cultural & Recreation	2,754,860
		Debt Service	9,560,500
		Non Departmental	<u>4,295,260</u>
Total	\$ 74,680,490	Total	\$ 74,680,490

GENERAL FUND REVENUE COMPARISON

REVENUE	FY 08 Actual	FY 09 Amended	Adopted FY 09-10
Ad Valorem Taxes			
Current year	\$ 42,240,730	\$ 42,768,000	\$ 42,800,000
Prior years	814,778	1,100,000	1,100,000
Interest & penalties	248,311	230,000	250,000
	<u>43,303,819</u>	<u>44,098,000</u>	<u>44,150,000</u>
Other taxes & licenses			
White goods disposal tax	30,757	20,000	20,000
ABC bottle tax	32,456	30,000	29,500
Local option sales tax	15,660,876	14,325,000	10,645,000
Scrap tire disposal tax	88,537	63,000	63,000
Other	21,311	23,000	23,000
	<u>15,833,937</u>	<u>14,461,000</u>	<u>10,780,500</u>
Permits & fees			
Sheriff fees	94,122	70,000	95,000
Register of deeds	1,305,479	1,227,000	837,705
Privilege licenses	15,354	13,000	13,000
Franchise fees	504,442	400,000	500,000
Building permits & inspections fees	601,323	580,000	455,000
Environmental health fees	349,235	460,000	300,000
Other fees	209,100	64,800	172,258
	<u>3,079,055</u>	<u>2,814,800</u>	<u>2,372,963</u>
Intergovernmental			
Restricted			
Federal & state grants	10,138,004	10,567,558	9,775,084
Lottery Proceeds	400,000	400,000	400,000
Court facilities fees	323,082	340,000	290,000
Unrestricted			
Beer and wine tax	168,428	165,000	170,000
ABC profits	497,256	390,000	300,000
Croatan National Forest	150,383	100,000	100,000
	<u>11,677,153</u>	<u>11,962,558</u>	<u>11,035,084</u>
Sales & services			
Solid Waste	2,229,849	2,200,000	2,230,000
Civic center fees	190,385	171,000	172,520
Other	229,770	297,722	293,800
	<u>2,650,004</u>	<u>2,668,722</u>	<u>2,696,320</u>
Interest	1,519,179	1,000,000	750,000
Miscellaneous			
Proceeds from sale of fixed assets	93,722	20,000	20,000
Other	174,272	181,649	175,523
	<u>267,994</u>	<u>201,649</u>	<u>195,523</u>

REVENUE	FY 08 Actual	FY 09 Amended	Adopted FY 09-10
Other Financing Sources			
Operating transfers in	2,692,687	2,560,100	2,454,000
Loan Proceeds	110,221	-	-
Appropriated fund balance	-	853,333	-
Appropriated Health Reserve F.B.			246,100
	<u>2,802,908</u>	<u>3,413,433</u>	<u>2,700,100</u>
Total Revenue	<u>\$ 81,134,049</u>	<u>\$ 80,620,162</u>	<u>\$ 74,680,490</u>

General Government

***Governing Body
Administration
Information Technology
Finance
Human Resources
Tax
Legal
Court Facilities
Elections
Register of Deeds
Maintenance***

Governing Body**General Government**

Purpose: The Board of Commissioners is the governing body for the people of Carteret County. The Board consists of seven County Commissioners who set policy for county government in accordance with the laws of the State of North Carolina. The County operates under the County Manager form of government and the Board appoints a County Manager who is responsible for the day to day management of County government.

Major Accomplishments

- Set the lowest ad valorem tax rate in the state.
- Began development of Newport Park.
- Approved consolidating emergency 911 communications and partnering with Morehead City for the communications center.

Key Objectives

- Establish the lowest responsible tax rate.
- Address county and school capital needs.
- Maintain the County's high bond rating.

Expenditure Category	2007-2008	Amended 2008-2009	2009-2010	2009-2010	2009-2010	Percent
	Actual	Budget 12/31/08	Requested	Recommended	Board Approved	Change From FY 09/10
Personnel	49,534	55,500	55,500	55,500	55,500	
Operations	290,368	253,980	276,675	276,675	201,675	
Contracted Services	123,320	141,000	141,500	141,500	104,500	
Total	463,222	450,480	473,675	473,675	361,675	-19.71%

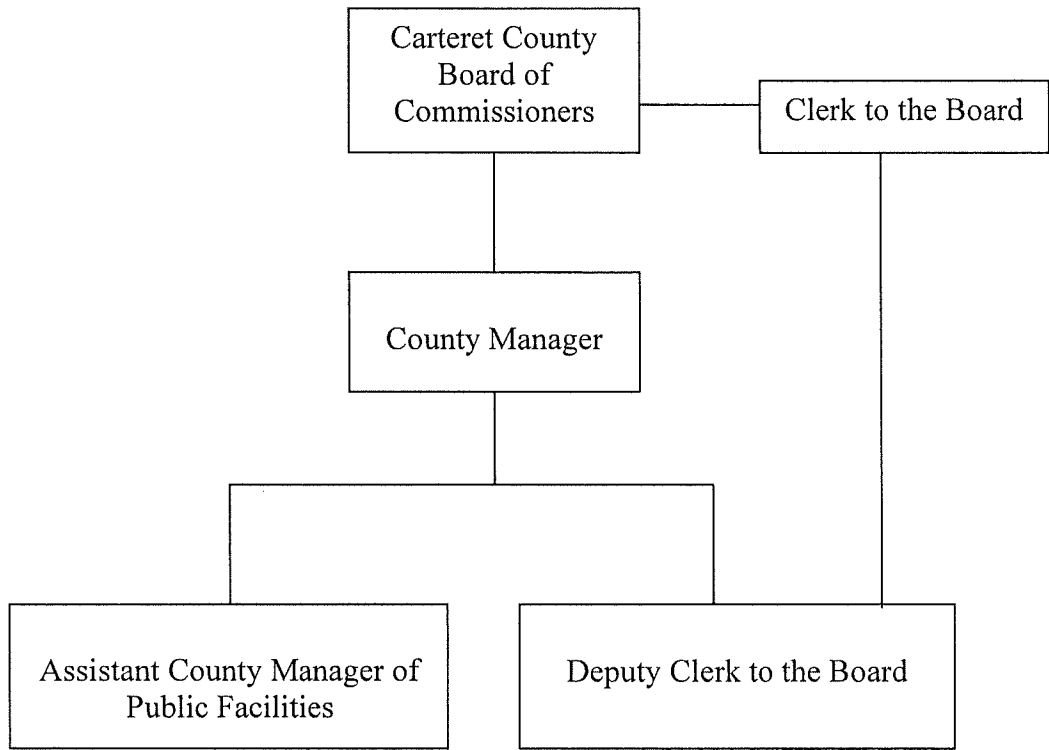
Revenue Sources

-	-	-	-	-
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Staffing**Numbers of Positions**

7	7	7	7	7	-
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*Administrative
Organizational Chart*



Administration Department**General Government**

Purpose: The County Manager is the chief administrative official of County government, serving at the pleasure of the Board of Commissioners. The County Manager is responsible for coordinating, supervising, and recommending alternative solutions to growing problems and issues. The County Manager is responsible for the overall management of County departments under the Board's control and coordinates with other County departments not under the Board's direct control to maintain a cohesive County government organization.

Major Accomplishments

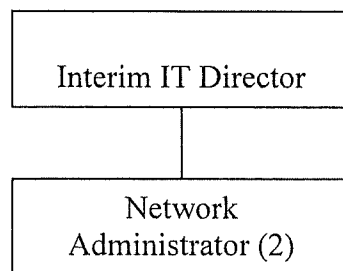
- Received approval for implementing consolidated emergency 911 communications, as well as established a partnership with Morehead City to renovate and locate the emergency communications center.
- Addressed the need for public water access by partnering with Morehead City to provide water access, and receiving authorization to proceed with obtaining water access property in Cedar Point.
- Addressed space needs by entering into a long term contract for 23,000 square feet to relocate the Elections Office, other County offices, and to expand and relocate the main County library.

Key Objectives

- Implement consolidated 911 emergency communications.
- Complete development of Newport Park.
- Complete renovation of leased space for the library and County offices.

Expenditure Category	2007-2008	Amended 2008-2009	2009-2010	2009-2010	2009-2010	Percent
	Actual	Budget 12/31/08	Requested	Recommended	Board Approved	Change From FY 09/10
Personnel	326,193	345,649	348,110	345,070	342,745	
Operations	38,396	56,600	41,000	41,000	41,000	
Total	364,589	402,249	389,110	386,070	383,745	-4.60%
Revenue Sources	-	-	-	-	-	
Staffing						
Full Time	4.00	4.00	4.00	4.00	4.00	
FTE - Part time positions	0.08	-	-	-	-	
Numbers of Positions	4.08	4.00	4.13	4.00	4.00	0.00%

*Information Technology
Organizational Chart*



Information Technology Department

General Government

Purpose: Provide staff and citizens with an efficient and effective means to access and maintain information across various entities while controlling costs and ensuring security of the resources available.

Major Accomplishments

- Reduced call time-to-fix ratios by 50%.
- Completed work orders by month increased 12%.
- Implemented Enterprise version of Track-IT for Public Works and Parks and Recreation.
- Assisted several departments with interactive web sites for content management from end-users desktop.
- Upgraded entire Administration complex networking infrastructure.
- Upgraded or replaced 75 personal computers in keeping with our 3 year replacement plan.

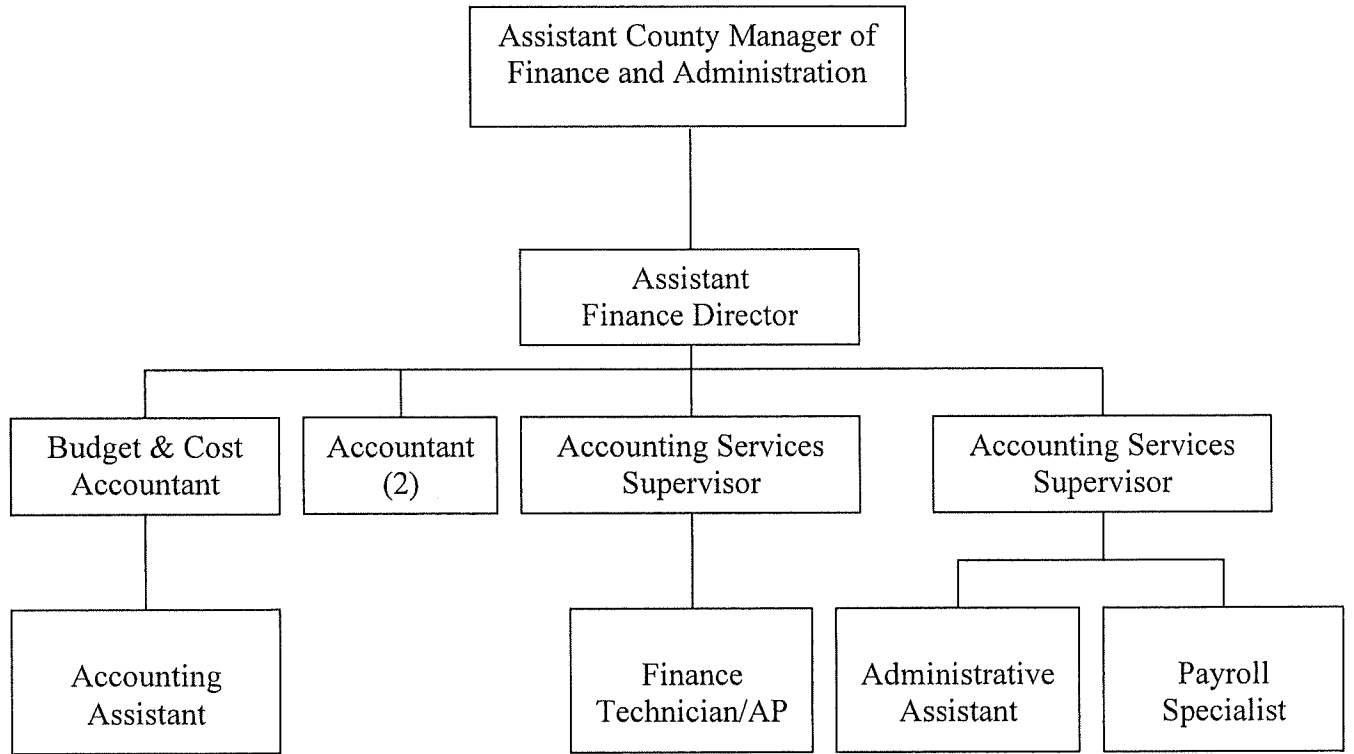
Key Objectives

- Continue to provide timely and cost-effective technology services.
- Continue to perfect the new planning and inspection software from MagNet.
- Implement consolidated geo-database server for GIS information for interdepartmental sharing of information.
- Upgrade connections between health and administration; implement more secure/updated routing and firewalling.

Key Measures	FY08 Actual	FY 09 Estimated	FY 10 Target	Desired Level
<i>Workload (Output)</i>				
Completed work orders by month	180	190	200	200
<i>Efficiency</i>				
Time-to-Fix ratio	1 week	3 days	3 days	3days
<i>Effectiveness</i>				
Average response time to tech on-site	36 hours	24 hours	24 hours	12 hours

Expenditure Category	2007-2008	Amended 2008-2009	2009-2010	2009-2010	2009-2010	Percent Change From FY 09/10
	Actual	Budget 12/31/08	Requested	Recommended	Board Approved	
Personnel	235,499	227,026	248,476	246,203	244,458	
Operations	406,980	461,705	430,312	427,312	427,312	
Total	642,479	688,731	678,788	673,515	671,770	-2.46%
Revenue Sources	-	-	-	-	-	
Staffing						
Full Time Positions	3.00	3.00	3.00	3.00	3.00	
FTE - Part Time Positions	1.37	0.73	1.00	1.00	1.00	
Numbers of Positions	4.37	3.72	4.00	4.00	4.00	7.53%

*Finance
Organizational Chart*



Finance Department**General Government**

Purpose: The Finance Department operates a financial accounting and reporting system in accordance with North Carolina General Statutes, federal laws, and regulation. The primary purpose of the department is to establish and maintain a centralized county-wide system of financial planning, reporting, and control. The department is responsible for preparing the bond sales and other debt management, accounting for the County's receipts and disbursements, payroll, managing investments, accounting for the County's fixed asset inventory, purchasing, coordinating the annual audit by the independent certified public accountants, preparation of the comprehensive annual financial report (CAFR), and preparation of a budget for submission to the County Manager.

Major Accomplishments

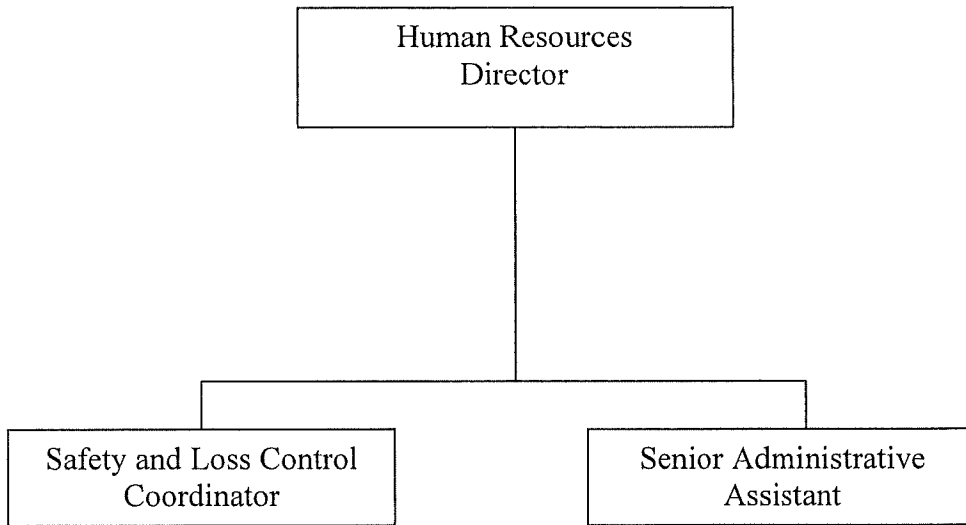
- Received the distinguished Budget Presentation Award from Government Financial Officer's Association (GFOA) for fiscal year 2009 budget document; the County's 11th consecutive year.
- Received the Certificate of Achievement for Excellence in Financial Reporting for June 30, 2008, the County's 12th consecutive year.
- Assisted departments in implementing work load indicators and performance measures.

Key Objectives

- Maintain the County's high bond rating.
- Assist the Board of Commissioners in implementing the capital needs assessment through financing and pay as you go.
- Expand performance measures implemented in County departments.
- Assist the Board of Commissioners by proactively managing the County's finances through the economic recession.

Expenditure Category	2007-2008	Amended 2008-2009 Budget	2009-2010 Requested	2009-2010 Recommended	2009-2010 Board Approved	Percent Change From FY 09/10
	Actual	12/31/08				
Personnel	452,303	556,846	538,400	538,400	568,900	
Operations	53,088	56,200	52,200	52,200	52,200	
Total	505,391	613,046	590,600	590,600	621,100	1.31%
Revenue Sources						
Other Taxes	57,742	60,200	58,000	58,000	58,000	-3.65%
Staffing						
Full Time Positions	7.6	8.6	8.6	8.6	9.6	
FTE - Part Time Positions	-	-	-	-	-	
Numbers of Positions	7.6	8.6	8.6	8.6	9.6	11.63%

*Human Resources
Organizational Chart*



Purpose: Responsible for all facets of personnel, including policy development, documentation, and implementation, Occupational Safety and Health Administration (OSHA); Equal Employment Opportunity (EEO); American Disability Act (ADA); Fair Labor Standards Act (FLSA); Family Medical Leave Act (FMLA) compliance; benefits and compensation planning, administration and employee recruitment, relations and development in support of active employees and retirees.

Major Accomplishments

- Created new performance appraisal forms for all non-exempt and exempt employees.
- Put into practice new regulations concerning changes with FMLA.
- Wellness Program has been approved and implemented including an employee wellness program website, “Beacon of Health”. The mission is to create employee responsibility for good health.
- Administration has approved thirteen (13) safety and health policies.
- Safety Committee continues to meet bi-monthly to address safety concerns, review safety policy drafts, and to be informed of workplace injuries.

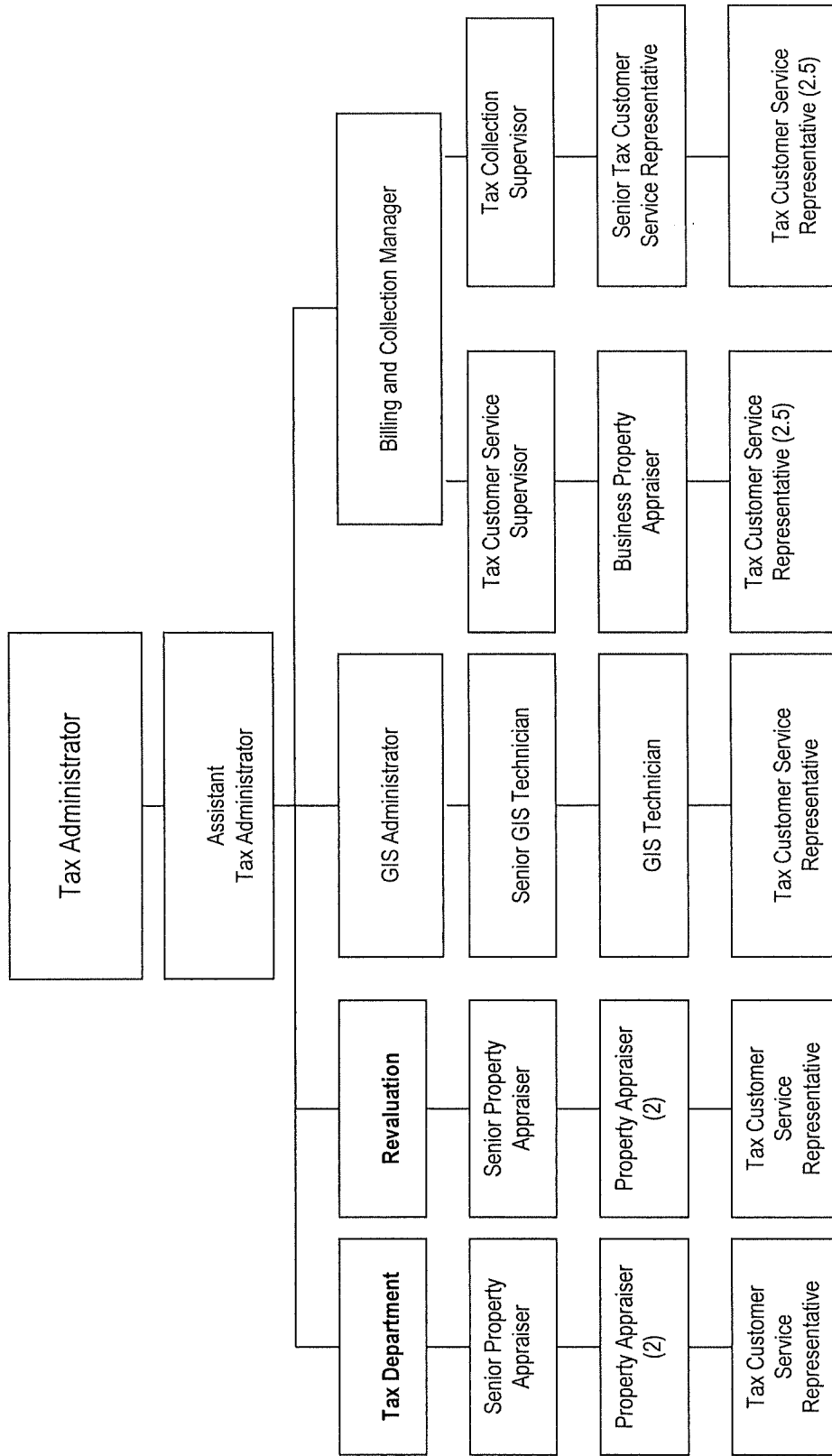
Key Objectives

- Wellness Program will continue to offer health information seminars and screenings to employees, aimed to assist in maintaining/acquiring a healthier lifestyle.
- Set-up seminars for department heads and supervisors to assist with supervisory skills.
- Continue to develop safety and health policies. Implement employee safety audits, building safety inspections, and fire/evacuation procedures.
- Maintain and continue to improve service delivery in recruitment, referral, position classification, compensation, and all other areas relating to Human Resources.

Key Measures	FY08 Actual	FY 09 Estimated	FY 10 Target	Desired Level
Workload (Output)				
Employees participating in the Wellness Program.	0	184	225	400
Efficiency				
Department Heads and employees understanding the importance of the Wellness Program.	46%	56%	100%	100%
Effectiveness				
Participation in the Wellness Programs	0	30%	40%	100%

Expenditure Category	2007-2008	Amended 2008-2009	2009-2010	2009-2010	2009-2010	Percent
	Actual	Budget 12/31/08	Requested	Recommended	Board Approved	Change From FY 09/10
Personnel	161,200	173,262	201,479	199,205	197,460	
Operations	37,501	68,600	64,200	64,200	64,200	
Total	198,701	241,862	265,679	263,405	261,660	8.19%
Revenue Sources	-	-	-	-	-	
Staffing						
Full Time Positions	2.4	2.4	2.8	2.8	2.8	16.67%
FTE - Part Time Positions	-	-	-	-	-	0.00%
Numbers of Positions	2.4	2.4	2.8	2.8	2.8	16.67%

Tax Department Organizational Chart



Purpose: To receive listing, assess, bill, and collect all ad valorem and special district taxes due to Carteret County as required and regulated by the General Statutes of North Carolina. Additionally, this department collects municipal taxes for four municipalities located within Carteret County. Revaluation implements a program to assess all real estate in the county. The process includes gathering and analyzing sale data, property characteristics and condition of improvements, and accurately valuing property in accordance with our appraisal schedule of values adopted for the 2007 revaluation.

Major Accomplishments

- Assessment and levy of all ad valorem taxes due Carteret County.
- Ongoing Business Personal Property Tax Audit.
- Continue electronic document storage program.
- Initiated Debt Setoff program for collection of delinquent tax.
- Completed audit of exemption accounts.
- Acquire oblique aerial photographs for the 2011 revaluation.
- Completed Property Tax Commission cases for 2007.
- Completed audit of farm use accounts.

Key Objectives

- Meet all statutory requirements for assessment, levy, and collection of all ad valorem taxes.
- Implementation of new exemption program.
- Complete initial phase of 2011 revaluation.
- Installation and training of Pictometry System.
- Share Pictometry System with other county and municipal agencies.

Key Measures	FY08 Actual	FY 09 Estimated	FY 10 Target	Desired Level
Workload (Output)				
Complete personal property listing process within 60 days of filing deadline.	50%	75%	90%	100%
Final appraisal visits of property within 60 days of certificate of occupancy	75%	90%	100%	100%
Efficiency				
Electronic Storage of all documents	50%	60%	75%	100%
Electronic Storage of revaluation documents	40%	60%	75%	100%
Effectiveness				
Business Personal Property Tax Audit	25%	50%	75%	100%
Farm Use Audit	90%	100%	100%	100%
\$ Amount submitted to debt set off for collection	NA	\$1,707,237	\$2,000,000	\$2,000,000
% of debt set off collected	NA	5%		100%

Court Facilities

General Government

Purpose: To provide all clerical and record-keeping functions for the Superior and District Court and act as a depository for all legal litigation in Carteret County. It must comply with the rules of record keeping provided by the State of North Carolina and the General Statutes. Furthermore, this office is responsible for preparing court calendars and ensuring courtroom space is available on a daily basis for the hearing in all matters, probate of wills, and a variety of matters called special proceedings. As Judge of Probate the Clerk is responsible for the administration and probate of all estates in the county. This office collects fines and fees in all legal matters as required. There are 23 employees and 8 magistrates who regularly work with people in the legal field as well as the general public.

Major Accomplishments

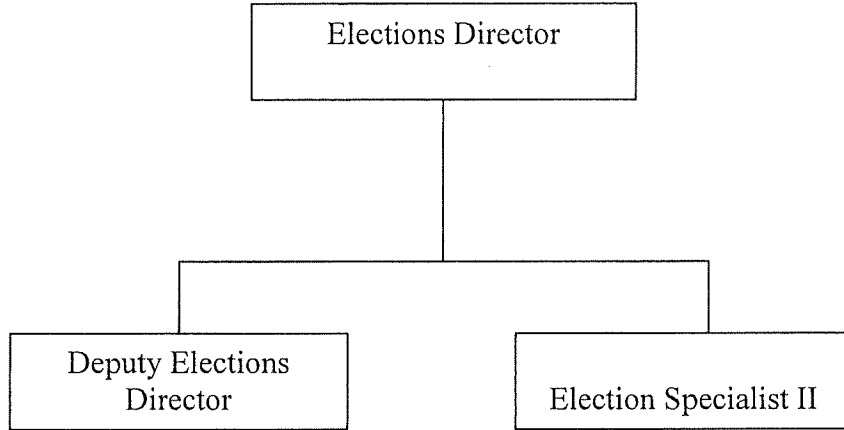
- Computer upgrades in the office and the magistrate’s office by the State.
- The County purchased computer equipment to streamline space that was needed for law books in the law library.
- Purchased new furniture for several departments in the clerk’s office as well as the District Attorney’s and Public Defender’s offices.
- New phone system purchased by the State and the County will no longer be responsible for the phones.

Key Objectives

- Obtain additional space for the retention of records and staff, and possibly an additional courtroom.
- Continue to replace workspace furniture and chairs in three courtrooms.
- Additional office space is needed for the Clerk of Court, Public Defender, and District Attorney.

Expenditure Category	2007-2008	Amended 2008-2009	2009-2010	2009-2010	2009-2010	Percent
	Actual	Budget 12/31/08	Requested	Recommended	Board Approved	Change From FY 09/10
Operations	62,684	59,915	20,036	52,635	52,635	
Total	62,684	59,915	20,036	52,635	52,635	-12.15%
Revenue Sources						
Intergovernmental	323,082	340,000	118,214	290,000	290,000	-14.71%
Staffing						
Full Time Positions	-	-	-	-	-	
Part Time as FTE	-	-	-	-	-	
Numbers of Positions	-	-	-	-	-	0.00%

*Elections
Organizational Chart*



Purpose: The Elections Department is to conduct fair and accountable elections in a nonpartisan environment. The Elections Department focuses on public service and provides information necessary to better educate and assist the general public.

Major Accomplishments

- Successfully completed the November 2008 General Election while recording voter turnout that was among the highest in the state at 73%.
- Utilized Federal Help America Vote Act (HAVA) grant funds totaling \$74,113, to complete accessibility upgrades to polling places, as well as provide enhancements for additional one-stop early voting sites.
- Awarded federal funds totaling \$24,824 to supplement salaries for temporary Board of Elections staff and one-stop precinct officials, as well as purchase precinct supply carts and additional curbside call-bell alert systems with no matching funds required.
- Continued use of local staff for conducting mandatory Precinct Officials Training Courses and the optional Precinct Officials Certification Courses, as well as local citizens for election day support staff (rovers) in lieu of contracted services generating a savings of \$17,200 per election.
- Conducted on-site training for precinct officials during special primary election for Commissioner of Labor.
- Implemented student elections assistant program that allowed students to participate in the elections process.
- North Carolina Elections Administrator Certification was achieved by 2 Elections Office staff members and 1 Board of Elections member. All full time Elections Office personnel are certified as well as 2 of 3 Board of Elections members.

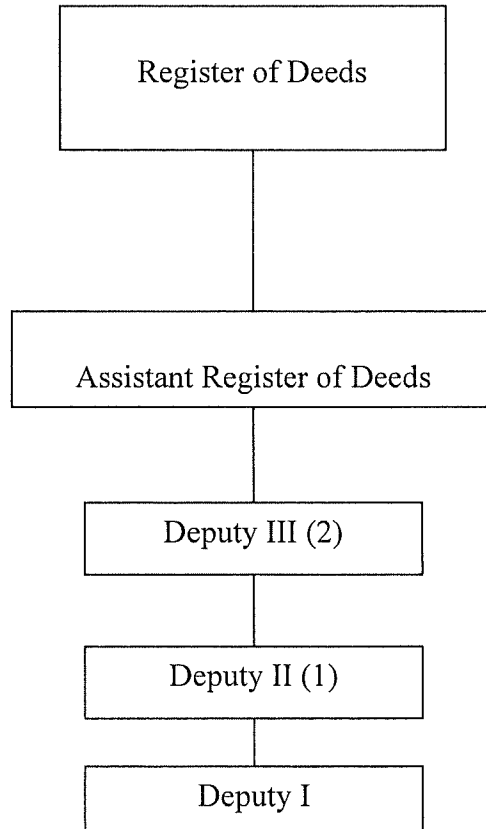
Key Objectives

- Continue to access available grant resources to supplant or supplement local funding whenever possible.
- Continue to implement voter outreach programs to better prepare and inform voters prior to each election through public speaking engagements that disseminate and explain the balloting process and provide written material for reference.
- Continue to offer poll worker training and outreach services in order to maintain high level of poll worker retention.
- Continue to offer same or increased level of services while implementing cost savings measures.

Key Measures	FY08 Actual	FY 09 Estimated	FY 10 Target	Desired Level
<i>Workload (Output)</i>				
Elections Held	1	4	3	N/A
Number of Registered Voters	48,014	48,300	48,500	48,500
<i>Efficiency</i>				
Time Election Results Available on Election Night	8:35 PM	8:45 PM	8:45 PM	8:30 PM
Time Voting Equipment is picked up at last precinct	9:45 PM	10:00 PM	10:00 PM	9:30 PM
<i>Effectiveness</i>				
Percentage of votes cast without voter complaints	99.997%	99.999%	99.999%	99.999%
Percentage of Provisional Ballots cast correctly in precincts	98.998%	99%	100%	100%

Expenditure Category	2007-2008	Amended 2008-2009	2009-2010	2009-2010	2009-2010	Percent
	Actual	Budget 12/31/08	Requested	Recommended	Board Approved	Change From FY 09/10
Personnel	228,258	240,290	251,783	249,511	247,766	
Operations	158,261	285,559	152,104	152,104	268,269	
Total	386,519	525,849	403,887	401,615	516,035	-1.87%
Revenue Sources						
Intergovernmental	40,041	175,901	-	-	-	
Fees	33,569	900	38,578	38,578	38,578	
Total	73,610	176,801	38,578	38,578	38,578	(0.78)
Staffing						
Full Time Positions	4.00	3.00	3.00	3.00	3.00	0.00%
FTE - Part Time Positions	-	0.48	0.48	0.48	0.48	0.00%
Numbers of Positions	4.00	3.48	3.48	3.48	3.48	0.00%

*Register of Deeds
Organizational Chart*



Register of Deeds

General Government

Purpose: The office is to probate, record, and index instruments of title to all real property in the county according to NC General Statutes. The office is responsible for the safekeeping and the issuance of all vital records including birth, death, and marriage records and to provide access for public viewing, duplicating, and research of all of the above.

Major Accomplishments

- Completed indexing and scanning of all trade name certificates for businesses located within the county.
- Replaced many of the old book covers that were worn and needed replacing.
- Indexed and scanned many of the vital record documents from previous years.
- Completed indexing of notary records to allow quick access to records.

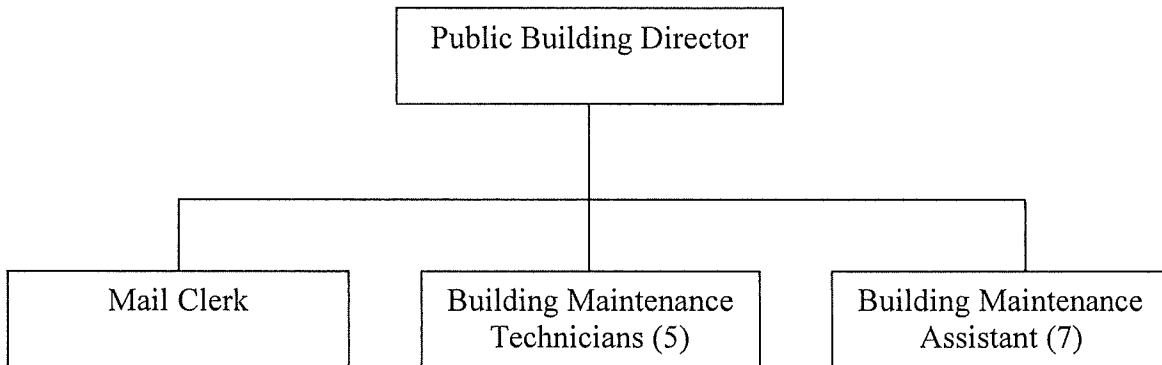
Key Objectives

- Begin scanning survey maps for access online to provide quick access to attorneys, surveyors, general public, and other departments within the county government.
- Continue indexing and scanning of previous years on birth, death, and marriage records.
- Replace worn microfiche map cards.
- Research feasibility of e-recording for certain documents for the office. Other counties are already doing this and it may be mandated in the future.

Key Measures	FY08 Actual	FY 09 Estimated	FY 10 Target	Desired Level
<i>Workload (Output)</i>				
Documents recorded	23,981	17,500	20,000	20,000
Certified Copies issued	11,063	10,000	10,500	10,500
<i>Efficiency</i>				
Database updated daily by 10:00 a.m.	95%	99%	100%	100%
Process all documents same day received	99%	100%	100%	100%
<i>Effectiveness</i>				
Documents received returned next day	99%	100%	100%	100%
Instant recording when requested	99%	100%	100%	100%

Expenditure Category	2007-2008	Amended 2008-2009	2009-2010	2009-2010	2009-2010	Percent
	Actual	Budget 12/31/08	Requested	Recommended	Board Approved	Change From FY 09/10
Personnel	324,973	341,208	288,633	251,240	245,740	
Operations	155,654	127,035	123,570	122,500	122,500	
Capital Outlay	-	27,000	39,525	39,525	39,525	
Total	480,627	495,243	451,728	413,265	407,765	-17.66%
Revenue Sources						
Fees	1,305,479	1,227,000	837,705	837,705	837,705	
Staffing						
Full Time Positions	7	7	7	6	6	
FTE - Part Time Positions	-	-	-	-	-	
Numbers of Positions	7	7	7	6	6	-14.29%

*Public Buildings
Organizational Chart*



Public Buildings

General Government

Purpose: Responsible for providing cost-effective maintenance and repair of all county owned facilities and structures. The department ensures building safety and optimum performance by providing preventative and repair of mechanical, electrical, plumbing, heating, air-conditioning, and ventilation systems. Other services include small interior and exterior structural repairs and renovations, preparing costs estimates, and supervising minor renovations and repair projects.

Major Accomplishments

- Treated all county heating, ventilating, and air-conditioning (HVAC) units with Micro Guard corrosion preventative.
- Installed computer controls on Health Department HVAC systems.
- Installed computer controls on all Courthouse HVAC systems.
- Installed cooling tower for Courthouse HVAC systems.
- Installed new generator for Administration/Annex/Courthouse Building.

Key Objectives

- Replaced Roof on Administration/Annex Building.
- Refurbish old Beaufort Elementary School Cafeteria.
- Improve security for Administration/Courthouse complex.
- Replace all plumbing fixtures in Administration/Annex/Courthouse.
- Clean all tile/terrazzo flooring in Administration/Annex/Courthouse.

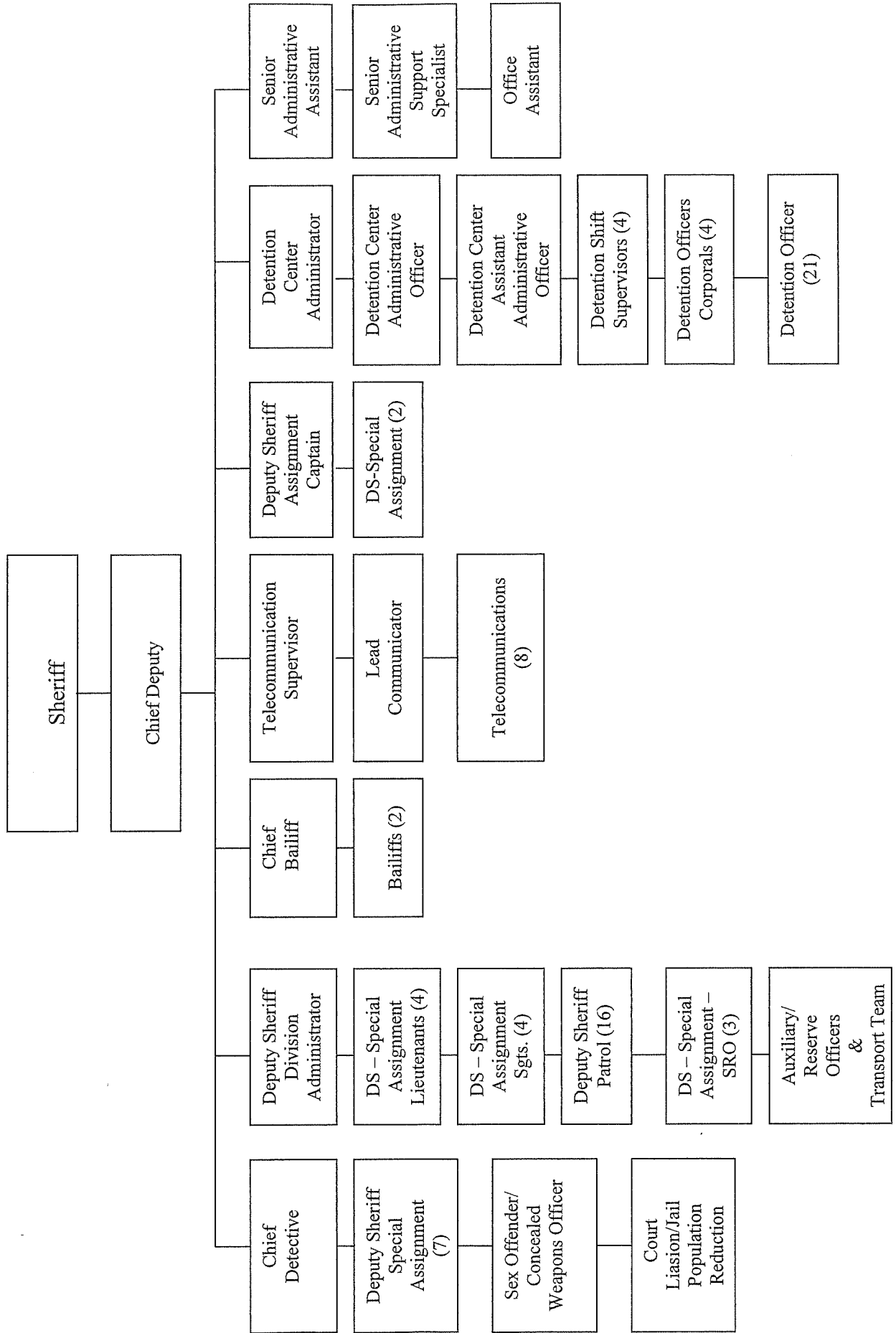
Key Measures	FY08 Actual	FY 09 Estimated	FY 10 Target	Desired Level
<i>Workload (Output)</i>				
Average number of monthly work orders	42.8	35	30	0
<i>Efficiency</i>				
Average number of monthly work orders completed	98%	99%	100%	100%

Expenditure Category	2007-2008	Amended 2008-2009	2009-2010	2009-2010	2009-2010	Percent
	Actual	Budget 12/31/08	Requested	Recommended	Board Approved	Change From FY 09/10
Personnel	501,410	540,668	572,850	552,005	543,855	
Operations	661,978	866,110	935,481	826,680	715,480	
Capital Outlay						
Total	1,163,388	1,406,778	1,508,331	1,378,685	1,259,335	-10.48%
Revenue Sources	-	-	-	-	-	
Staffing						
Full Time Positions	14.00	14.00	14.00	14.00	14.00	
FTE - Part Time Positions	-	0.13	0.25	0.25	0.25	
Numbers of Positions	14.00	14.13	14.25	14.25	14.25	0.85%

Public Safety

***Sheriff Division
Emergency Medical Services
Paramedic Operations
Emergency Management
Rape Crisis
Domestic Violence
Fire Marshal
Medical Examiner
Animal Control***

Sheriff Department Organizational Chart



CRIMINAL DIVISION – Deputies patrol the rural areas of the county day and night reacting to observed violations of law and responding to complaints and incidents called into the communications center. The officers investigate all crimes; robbery, rape, murder, assault, breaking and entering, larceny, etc. The officers respond and regain control at fights, civil disturbances, violent domestic disputes, and other confrontations. The officers must prepare cases for prosecution and testify in court. Each year the patrol officers serve several thousand warrants, criminal summons, and other criminal papers from the Clerk of Court and magistrate’s office. The officers also perform thousands of crime prevention services each year. Criminal detectives investigate offenses which require an extensive amount of time.

COMMUNICATIONS DIVISION – The communications division receives police, fire, and rescue calls from the public. This division properly interprets emergency calls and dispatches police, fire, and rescue units wherever necessary 24 hours per day every day of the year. Communications monitors all radio communications during the call and provides information and assistance to the responding units. The communicators answer and dispatch for the Sheriff’s Office as well as Newport, Beaufort, Pine Knoll Shores, Cape Carteret, and Indian Beach Police Departments. The communicators also answer for, dispatch, provide information, and assistance to 35 fire and rescue departments in Carteret County. Additionally, each morning the communicators call an extensive list of senior citizens that participate in the Sheriff’s Office “Are you Okay” senior program. The communicators also operate the Police Information Network providing information to local law enforcement officers regarding auto licensing, wanted persons, stolen property, etc. All 911 emergency calls come to this center for the areas named above.

CIVIL DIVISION – The officers within this division personally located and served 4,500 county residents, last year, with civil court documents, orders, and processes generated by the court, attorneys, and clerks of courts within Carteret County and other counties within North Carolina and outside North Carolina. The division also actively enforces civil Writs of Execution by collecting debts for many plaintiffs in Carteret County.

BAILIFF DIVISION – It is the full obligation of the bailiff division of the sheriff’s office to ensure total security in all of the courtrooms within the county. Judges, juries, defendants, plaintiffs, and witnesses must have full protection. Prisoners must be controlled while in the courtroom. Hostile case participants with violent differences of opinion must be controlled. The courtroom must be kept free of weapons and other undesirable conditions. Defendants receiving jail or prison sentences must be moved without delay or risk from the courtroom to the county jail by the bailiffs.

JAIL DIVISION – Over 3,000 inmates per year are brought in, booked, and held for some period of time ranging from one day to six months. The jail staff is responsible for security, care, and custody of each inmate. The feeding, bedding, sanitation, health care, and protection from each other are provided by the jail. Letter writing, telephone calls, and visitation from families, attorneys, clergy, and others must be provided to all inmates while they are in jail. Violent inmates must be controlled. All information regarding inmates, their crimes, sentence, and conduct must be carefully recorded in a permanent file and provided to inquiring parties at any time.

Major Accomplishments

- Detective division case clearance rate 60.88%.
- Communications efficiently and effectively dispatched over 51,000 calls.
- Provided courtroom security for District, Domestic, and Superior Court without incident.
- Deputies safely and effectively answered over 23,972 calls for service.
- Implemented the Jail population reduction / Electronic Monitoring program.
- Increased drug cases by 15.5%.
- Incarcerated over 3,200 individuals in a safe and secure environment.
- Lead “Pills Can Kill” campaign, collected over 40,000 potentially dangerous prescription pills.

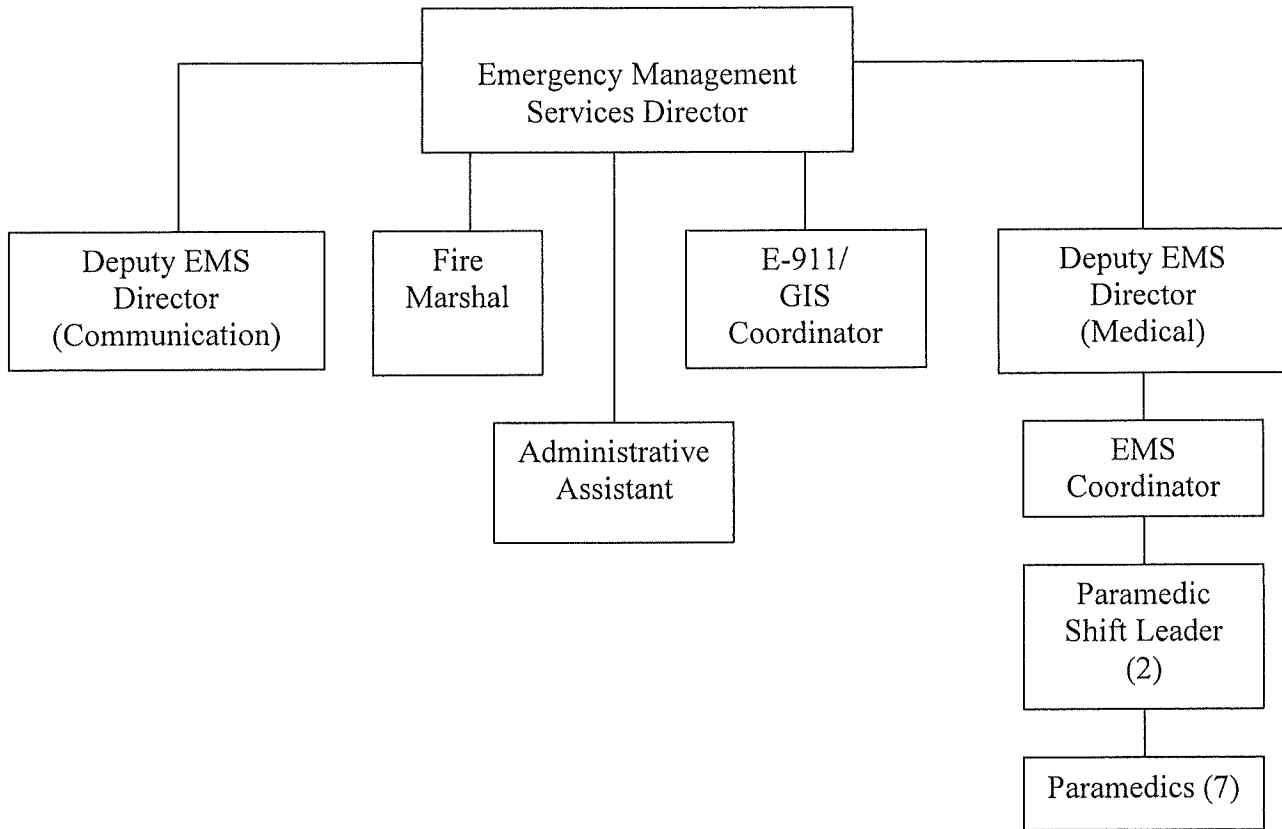
Key Objectives

- Continue to provide for the safety, security, and well-being of our citizens.
- Continue to provide quality training and professional improvement opportunities for officers.
- Continue to provide high level of service to the citizens of Carteret County.
- Continue to work towards jail population reduction and alternative incarceration for appropriate offenders.

Key Measures	FY 08 Actual	FY 09 Estimated	FY 10 Target	Desired Level
<i>Workload (Output)</i>				
Criminal Papers issued	6,273	6,500	6,500	5,000
Registered Sex Offenders Monitored	68	75	80	N/A
Civil process orders issued	4,776	5,000	5,000	4,000
Writs of execution issued	381	370	350	300
Evictions	872	900	850	800
Number of inmates housed in jail	3,207	3,300	2,500	2,000
Incoming calls for service	51,207	51,500	51,500	45,000
<i>Efficiency</i>				
Dispatching fire & rescue calls in less than 3 minutes	99.5%	99.5%	99.9%	100%
Civil processes served within 5 days	85.2%	89.2%	93.2%	100%
<i>Effectiveness</i>				
% of total civil process orders served	85%	89%	93%	100%
Collections of Money on Writs of Executions	\$198,677	\$200,000	\$200,000	\$192,000
Service fee collected for civil services	\$74,069	\$75,000	\$75,000	\$60,000

Expenditure Category	2007-2008 Actual	Amended 2008-2009 Budget 12/31/08	2009-2010 Requested	2009-2010 Recommended	2009-2010 Board Approved	Percent Change From FY 09/10
CRIMINAL DIVISION						
Personnel	2,323,271	2,481,721	2,507,238	2,472,199	2,444,349	
Operations	733,211	721,540	644,954	640,311	630,311	
Capital Outlay	239,157	261,480	176,096	160,000	160,000	
Total	3,295,639	3,464,741	3,328,288	3,272,510	3,234,660	-6.64%
COMMUNICATIONS DIVISION						
Personnel	380,996	418,392	409,095	411,035	395,715	
Operations	69,398	121,895	69,050	69,050	69,050	
Capital Outlay	-	75,290	-	-	-	
Total	450,394	615,577	478,145	480,085	464,765	-24.50%
CIVIL DIVISION						
Personnel	182,376	233,575	229,787	213,720	204,475	
Operations	10,584	13,700	19,400	21,900	21,900	
Total	192,960	247,275	249,187	235,620	226,375	-8.45%
BAILIFF DIVISION						
Personnel	134,277	177,985	173,932	171,850	169,520	
Operations	1,130	23,800	35,100	35,100	35,100	
Total	135,407	201,785	209,032	206,950	204,620	1.40%
JAIL DIVISION						
Personnel	1,306,149	1,480,869	1,363,736	1,343,255	1,321,555	
Operations	811,305	971,620	739,500	684,500	679,500	
Contracted Services	281,670	326,570	295,000	300,000	300,000	
Capital Outlay	-	178,047	250,000	-	-	
Total	2,399,124	2,957,106	2,648,236	2,327,755	2,301,055	-22.19%
GRAND TOTAL	6,473,524	7,486,484	6,912,888	6,522,920	6,431,475	-14.09%
Revenue Sources						
Intergovernmental	240,096	225,780	208,000	208,000	208,000	
Fees	113,867	70,000	95,000	95,000	95,000	
Total	353,963	295,780	303,000	303,000	303,000	2.44%
Staffing						
Criminal	43.00	43.00	43.00	43.00	43.00	
Civil	3.00	3.00	3.00	3.00	3.00	
Bailiff	3.00	3.00	3.00	3.00	3.00	
Jail	32.00	35.00	32.00	32.00	32.00	
Full Time Positions	81.00	84.00	81.00	81.00	81.00	
FTE - Part-time	1.82	4.93	2.92	2.52	2.52	
Total FTE Criminal/Jail	82.82	88.93	83.92	83.52	83.52	-6.08%
Communications						
Full Time Positions	10.00	10.00	10.00	10.00	10.00	
FTE - Part - time	0.26	0.67	0.60	0.60	0.60	
Total FTE Communication	10.26	10.67	10.60	10.60	10.60	-0.66%
Total Positions	93.08	99.60	94.52	94.12	94.12	-5.50%

*Emergency Management Services
Organizational Chart*



Emergency Medical Service**Public Safety**

Purpose: The Emergency Medical Services (EMS) Office is a division of the Emergency Management Services Office. The primary duty of the EMS Office is to act as a liaison between EMS agencies and Carteret County government. Those agencies include 16 EMS providers, Carteret General Hospital, Carteret Community College, Fire & EMS Commission and the NC Office of EMS.

Major Accomplishments

- Provided support to all 16 EMS providers.
- Continue to update all EMS protocols to ensure quality patient care.
- Served on Eastern Regional Advisory Committee, as well as the Domestic Preparedness Regional Response Committee.
- Participated in exercises which included “Eastern Shield 2009”.
- Provided support in actual events with the County’s mobile command bus “C-MAC” and mass casualty trailer.

Key Objectives

- Continue support to all EMS providers.
- Provide oversight to County EMS units.
- Continue to train and exercise with all EMS units.
- Continue to update County EMS plan and EMS protocols.

Expenditure Category	2007-2008	Amended 2008-2009	2009-2010	2009-2010	2009-2010	Percent
	Actual	Budget 12/31/08	Requested	Recommended	Board Approved	Change From FY 09/10
Personnel	67,100	120,537	125,254	123,301	122,071	
Operations	43,920	41,352	39,489	39,489	39,489	
Total	111,020	161,889	164,743	162,790	161,560	-0.20%
Revenue Sources	-	-	-	-	-	0.00%
Staffing						
Full Time Positions	2.38	2.38	2.38	2.38	2.38	
FTE - Part Time Positions	-	-	-	-	-	
Numbers of Positions	2.38	2.38	2.38	2.38	2.38	0.00%

Paramedic Operation

Public Safety

Purpose: The Paramedic Operations Department is a division of the Emergency Services Office. The purpose of the paramedic operations department is to provide advanced pre-hospital care to areas of Carteret County where the local EMS agencies are not capable of providing paramedic level care. Carteret County operates three paramedic quick response vehicle (QRV) units. These units provide the primary paramedic coverage to ten local EMS districts.

Major Accomplishments

- Responded to over 2400 emergency calls.
- All emergency services personnel completed emergency vehicle driver training.
- Deployed disaster response trailer 10 times to assist local emergency responders.
- Responded to 1 water rescue.
- Assisted in full scale exercise “Eastern Shield 2009”.

Key Objectives

- To improve employee retention.
- To decrease response times for emergency medical care.
- To increase the ability to respond to all hazard emergencies.
- To improve the quality of EMS care with updated training and professionalism.

Key Measures	FY08 Actual	FY 09 Estimated	FY 10 Target	Desired Level
<i>Workload (Output)</i>				
Medic1 calls/ year	920	1,250	1,250	N/A
Medic 2 calls/year	1,180	1,400	1,450	N/A
Medic 3 calls/year	323	425	450	N/A
Rescue Boat Calls	1	5	10	N/A
Disaster Response Trailer Calls	10	15	20	N/A

Expenditure Category	2007-2008	Amended 2008-2009	2009-2010	2009-2010	2009-2010	Percent
	Actual	Budget 12/31/08	Requested	Recommended	Board Approved	Change From FY 09/10
Personnel	624,887	556,423	583,031	557,250	552,510	
Operations	133,557	199,920	144,500	144,250	144,250	
Capital Outlay	14,603	-	30,000	30,000	30,000	
Total	773,047	756,343	757,531	731,500	726,760	-3.91%

Revenue Sources	-	-	-	-	-	0.00%
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Staffing	2007-2008	Amended 2008-2009	2009-2010	2009-2010	2009-2010	Percent
Full Time Positions	9.00	9.00	9.00	9.00	9.00	
FTE - Part Time Position	0.90	0.73	1.11	1.11	1.11	
Numbers of Positions	9.90	9.73	10.11	10.11	10.11	3.91%

Emergency Management**Public Safety**

Purpose: The Emergency Management Department is the lead agency in Carteret County’s disaster preparedness efforts. The Emergency Management Department is tasked with developing the plans and coordinating the responses to large-scale emergencies. The emergency management department acts as a liaison between federal and state emergency response agencies and the local governments of Carteret County.

Major Accomplishments

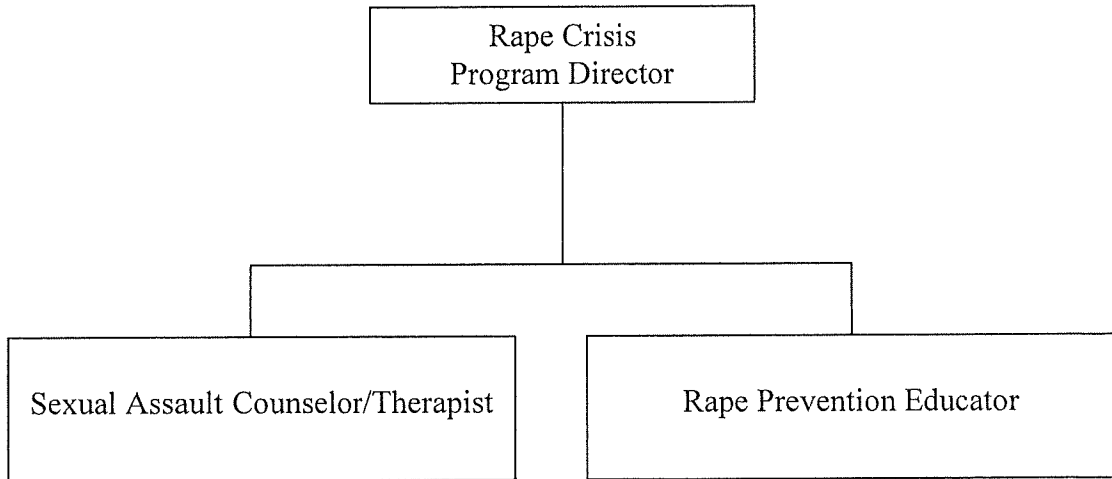
- Formed Western Carteret Community Emergency Response Team (CERT) as well as provided support for all 8 CERT teams.
- Participated in several exercises with State Emergency Management.
- Participated in full scale exercise “Eastern Shield 2009”.
- Participated in Annual Hurricane EXPO and Pet EXPO.
- Participated in numerous educational events for the public.

Key Objectives

- Update current Emergency Operations Plan and Hazard Mitigation Plan.
- Continue to communicate and provide updated preparedness and mitigation information to our citizens, partners, and stakeholders.
- Continue efforts to educate our department and stakeholders on new technology, equipment, and practices.
- Continue efforts to protect the citizens of Carteret County to the best of our ability.

Expenditure Category	2007-2008	Amended 2008-2009	2009-2010	2009-2010	2009-2010	Percent
	Actual	Budget 12/31/08	Requested	Recommended	Board Approved	Change From FY 09/10
Personnel	124,809	107,625	97,230	101,247	99,967	
Operations	253,562	145,318	141,218	114,408	114,408	
Capital Outlay	18,485	-	15,000	15,000	15,000	
Total	396,856	252,943	253,448	230,655	229,375	-9.32%
Revenue Sources						
Intergovernmental	5,859	9,500	9,500	9,500	9,500	0.00%
Staffing						
Full Time Positions	1.55	1.55	1.55	2.55	2.55	
FTE - Part Time Positions	-	-	0.05	0.05	0.05	
Numbers of Positions	1.55	1.55	1.60	2.60	2.60	67.74%

*Rape Crisis
Organizational Chart*



Purpose: The purpose of the Rape Crisis Department is to provide services, at no cost, to victims of sexual assault and abuse, under mandate and according to guidelines established by the NC Council for Women and the US Department of Justice, including: crisis intervention 24 hrs/7 day; follow-up support and criminal justice system advocacy; counseling; transportation; assistance filing compensation claims and court documents; any other services mandated by the terms of specific grant award agreements. Staff conducts training for; law enforcement, medical personnel, other agency professionals, and collaborates with the prosecutor’s office, hospital emergency department, school resource officers, and guidance counselors, Child Protective Services, and law enforcement agencies. Staff also conducts community education programs and prevention programs in schools and day care centers.

Major Accomplishments

- Served 171 primary and secondary victims: over half of those were children 0-18.
- Provided over 1,500 hours of counseling to primary and secondary victims/survivors of sexual assault and abuse.
- Continued grant to reduce child sexual abuse re-victimization through an increase in counseling hours to address guilt, shame, boundary, self esteem issues, etc.
- Continued prevention outreach with local schools and child care facilities in the county reaching children of all ages and all stages of development.
- Hired full-time licensed therapist to provide professional, no cost, services to all citizens of the county.
- Provided home and school-based counseling to accommodate victim’s needs and accessibility issues.
- Applied for a grant specializing in therapy for family and child victims to enhance service delivery and increase the availability of a counselor for emergencies.

Key Objectives

- Continue direct counseling hours to provide all primary and secondary victims professional counseling services in the least restrictive environment.
- Collaborate with TEDI BEAR: Children’s Advocacy Center to implement a multidisciplinary team on child abuse in the county.
- Recruit more volunteers to assist with outreach and community prevention and awareness.
- Seek funding opportunities through grants to continue and expand the program.

Key Measures	FY08 Actual	FY 09 Estimated	FY 10 Target	Desired Level
<i>Workload (Output)</i>				
Direct Services to Primary Victims	125	110	115	110
Direct Services to Secondary Victims	46	50	55	50
Counseling Hours Provided to Primary and Secondary	1,500	1,500	1,500	1,500
<i>Efficiency</i>				
Educational Programs Provided	75	75	75	75
Participants in Educational Program	1,500	1,500	1,000	1,500
<i>Effectiveness</i>				
Percentage of families referred by community/county agencies	75%	75%	80%	75%

Expenditure Category	2007-2008	Amended 2008-2009 Budget 12/31/08	2009-2010 Requested	2009-2010 Recommended	2009-2010 Board Approved	Percent Change From FY 09/10
	Actual					
Personnel	186,300	205,178	197,414	194,830	194,350	
Operations	39,245	37,590	34,996	34,995	34,995	
Total	225,545	242,768	232,410	229,825	229,345	-5.53%
Revenue Sources						
Intergovernmental	141,957	136,549	164,161	164,161	164,161	
Miscellaneous	13,947	17,000	12,100	12,100	12,100	
Total	155,904	153,549	176,261	176,261	176,261	14.79%
Staffing						
Full Time Positions	3.00	3.00	3.00	3.00	3.00	
FTE - Part Time Positions	0.52	0.75	0.41	0.41	0.41	
Numbers of Positions	3.52	3.75	3.41	3.41	3.41	-9.07%

Domestic Violence

Public Safety

Purpose: To provide safe shelter and supportive services to victims of domestic violence in Carteret County. The services provided include: individual counseling and support group, case management, court advocacy, food pantry, children’s and mother’s programs, elder abuse education, transportation assistance, clothing and furniture assistance, assistance with employment and housing needs, emergency medical and limited emergency financial assistance, and community education and awareness programs.

Major Accomplishments

- The Carteret County Domestic Violence Program increased fund raising efforts during 2008 by approximately 33%.
- Approximately \$18,954 in clothing, furniture and food assistance was provided to 288 individuals.
- Counseling was provided to 167 persons for a total of 740 hours of counseling, an increase of 4% over last year.
- Safe Date instructions provided to over 636 middle school students in 7 area schools.
- Program staff provided training to Morehead City Police Department, Hospice Volunteers, and Parrish Nurses.
- Provided training to a group of women from overseas, who were sponsored by the Sunshine Lady Foundation, regarding the establishment and operation of a domestic violence shelter and related services.

Key Objectives

- To provide key services to meet the varied needs of victims of abuse and their children.
- To maintain an emergency shelter available to offer safety to victims of abuse in danger of further victimization.
- To educate the public and community youth on the issue of violence in relationships.
- To provide emergency court advocacy to victims of abuse seeking relief through the court system.
- To maintain counseling and group therapy services to aid victims in dealing with the trauma of abuse.

Key Measures	FY08 Actual	FY 09 Estimated	FY 10 Target	Desired Level
<i>Workload (Output)</i>				
Counseling hours provided	709	740	750	765
Case management provided to each sheltered resident	171	175	175	175
<i>Efficiency</i>				
% Increase of victims participating in ongoing counseling	31%	50%	50%	100%
<i>Effectiveness</i>				
Families establishing and maintaining non-violent households	52	63	75	100%
Number of families who report no repeat victimizations after a one year period.	31	50	55	100%

Expenditure Category	2007-2008	Amended 2008-2009 Budget 12/31/08	2009-2010 Requested	2009-2010 Recommended	2009-2010 Board Approved	Percent Change From FY 09/10
	Actual					
Operations	60,395	79,020	40,049	40,045	40,045	
Total	60,395	79,020	40,049	40,045	40,045	-49.32%
Revenue Sources						
Intergovernmental	49,338	49,338	-	-	-	-100.00%
Staffing Positions						
	-	-	-	-	-	0.00%

Fire Marshal**Public Safety**

Purpose: To serve the citizens of Carteret County by providing life safety strategies through inspection, investigation, public education, and code management. The Fire Marshal serves as an advisor to the 21 local fire departments and as a liaison between the fire departments and county government.

Major Accomplishments

- Completed legislative mandated school inspections.
- Completed 99 fire safety inspections.
- Completed 10 foster home inspections.
- Investigated 18 structure fires; leading to two arrests for arson.
- Achieved the Certified Fire and Explosion Investigator certification.

Key Objectives

- Establish the 6 mile fire districts in the County to lower insurance rates for residents.
- Establish a fire extinguisher training program for County and School Board Employees.
- Assist county fire departments in lowering their ISO rating.

Key Measures	FY08 Actual	FY 09 Estimated	FY 10 Target	Desired Level
<i>Workload (Output)</i>				
Fire Investigations	30	18	20	0
Public Safety Briefings	10	15	20	25
Occupancies Inspected	35	99	100	125

Expenditure Category	2007-2008	Amended 2008-2009	2009-2010	2009-2010	2009-2010	Percent Change From
	Actual	Budget 12/31/08	Requested	Recommended	Board Approved	FY 09/10
Personnel	34,162	67,921	65,270	63,170	62,370	
Operations	13,064	24,270	31,870	21,870	21,870	
Total	47,226	92,191	97,140	85,040	84,240	-8.62%

Revenue Sources	-	-	-	-	-	0.00%
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Staffing

Full Time Positions	1.07	1.07	1.07	1.07	1.07	
FTE - Part Time Position	-	0.05	0.05	0.05	0.05	
Numbers of Positions	1.07	1.12	1.12	1.12	1.12	0.00%

Consolidated 911**Public Safety**

Purpose: The Carteret County Communications Department is a centralized communications system providing emergency and non-emergency service to the public and public safety agencies. This service is produced by utilizing telephone and radio equipment. It is a manned department of one Communications Manager, 4 Shift Supervisors and 18 telecommunicators. This department is manned 24 hours a day, 7 days a week, 365 days a year.

Major Accomplishments

- Reviewed and reported on the status of the radio infrastructure belonging to Carteret County.
- Established an E-911 advisory committee.

Key Objectives

- Continue to develop facility plans with the Town of Morehead City.
- Develop a strategic plan for the successful implementation of countywide consolidated communications.
- Develop 911 operating guidelines, policies, and training in cooperation with the 911 advisory board and public safety agencies of Carteret County.

Expenditure Category	2007-2008	Amended 2008-2009	2009-2010	2009-2010	2009-2010	Percent
	Actual	Budget 12/31/08	Requested	Recommended	Board Approved	Change From FY 09/10
Personnel	-	65,795	127,246	66,400	65,820	
Operations	-	22,050	88,550	84,250	84,250	
Total	-	87,845	215,796	150,650	150,070	70.83%
Revenue Sources	-	-	-	-	-	0.00%
Staffing						
Full Time Positions	-	1	2	1	1	
FTE - Part Time Position	-	-	-	0	0	
Numbers of Positions	-	1	2	1	1	12.00%

Medical Examiner**Public Safety**

Purpose: The County must pay to have state performed autopsies on certain deaths that occur within our County. The medical examiner in Carteret County goes to the sites where death has occurred, checks the body and determines whether an autopsy is needed. If an autopsy is needed, the County must pay to have one performed.

Expenditure Category	2007-2008	Amended 2008-2009	2009-2010	2009-2010	2009-2010	Percent
	Actual	Budget 12/31/08	Requested	Recommended	Board Approved	Change From FY 09/10
Contracted Services	42,100	55,000	50,000	50,000	50,000	
Total	42,100	55,000	50,000	50,000	50,000	-9.09%
Revenue Sources	-	-	-	-	-	0.00%
Staffing Numbers of Positions	-	-	-	-	-	

Pest Management**Public Safety**

Purpose: To protect public health by educating, preventing, and the investigation of complaints while enforcing animal and rabies control laws and regulations as set forth in the county ordinance.

Major Accomplishments

- Implemented the rabies voucher program with the Humane Society as a requirement for reclaiming animals.
- Increased public awareness and improved dissemination of rabies information to the public regarding the laws and ordinances.

Key Objectives

- Extend education to the public on responsible pet ownership.
- Enforce the laws adopted by the State of North Carolina with special emphasis placed on vaccinations.
- Education and obtain certification for animal control officers which ultimately protects the safety of the citizens.

Key Measures	FY08 Actual	FY 09 Estimated	FY 10 Target	Desired Level
<i>Workload (Output)</i>				
Telephone Calls	15,600	17,000	20,000	20,000
Premises Visited/Patrolled Areas	7,600	8,000	9,000	9,000
Animals Impounded	2,100	2,151	2,500	80%
<i>Efficiency</i>				
Premises Visited/Patrolled Areas per Animal Control Officer	2,800	3,500	3,800	3,800
Animals Impounded per Animal Control Officer	700	800	900	500
<i>Effectiveness</i>				
Complaints per 1000 population	3	2	0	0

Expenditure Category	2007-2008	Amended 2008-2009	2009-2010	2009-2010	2009-2010	Percent
	Actual	Budget 12/31/08	Requested	Recommended	Board Approved	Change From FY 09/10
Personnel	283,684	220,264	226,088	223,081	220,481	
Operations	487,817	235,678	214,719	210,719	210,719	
Capital Outlay	38,232	9,000	-	-	-	
Total	809,733	464,942	440,807	433,800	431,200	-7.26%
Revenue Sources	-	-	-	-	-	0.00%
Staffing						
Full Time Positions	4.00	4.25	4.30	4.30	4.30	
FTE - Part Time Positions	5.70	1.42	1.44	1.44	1.44	
Numbers of Positions	9.70	5.67	5.74	5.74	5.74	1.23%

Transportation

***Airport
Harbor Authority
Carteret County Area Transportation (CCATS)***

Airport**Transportation**

Purpose: To provide the Airport Authority the means of operating and maintaining the Michael J. Smith Field in such a manner as to provide a safe haven for general aviation aircraft to arrive, depart, or base; while continuing to develop short and long range plans which will meet the aviation needs and requirements of Carteret County in the short and long term.

Expenditure Category	2007-2008	Amended 2008-2009	2009-2010	2009-2010	2009-2010	Percent
	Actual	Budget 12/31/08	Requested	Recommended	Board Approved	Change From FY 09/10
Operating Contribution	90,850	85,823	67,290	67,290	67,290	
Capital Contribution	16,667	16,667	16,667	16,665	16,665	
Total	107,517	102,490	83,957	83,955	83,955	-18.08%
Revenue Sources	-	-	-	-	-	
Staffing						
Numbers of Positions	-	-	-	-	-	

Harbor Authority**Transportation**

Purpose: Carteret County Harbor Authority is a seven member board appointed by the Board of Commissioners to oversee three active harbors of refuge located within the County. The harbors generate revenue for the County through slip rental and are for the convenience of local watermen. The three harbors are ultimately provided as safe harbors of refuge during rough weather. The Authority was created by House Bill 730 Codified as Chapter 598 of the North Carolina General Assembly.

Major Accomplishments

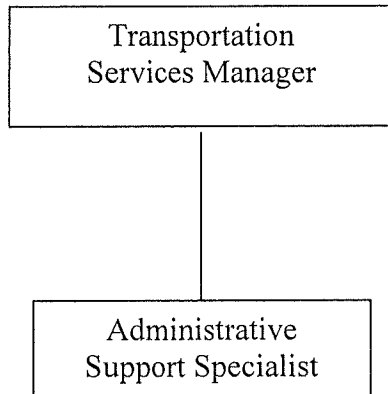
- Dredged Harkers Island Harbor to improve access.
- Developed a partnership with the Army Corp of Engineers, NC Division of Water Quality, and the County to seek an economic solution to pipeline dredge the entrance to Atlantic Harbor.

Key Objectives

- Continue partnering with the Army Corp of Engineers, NC Division of Water Quality, and the County to seek an economic solution to pipeline dredge the entrance to Atlantic Harbor.
- Establish partnership with Marine Fisheries to manage the Cedar Island Harbor.

Expenditure Category	2007-2008	Amended 2008-2009	2009-2010	2009-2010	2009-2010	Percent Change
	Actual	Budget 12/31/08	Requested	Recommended	Board Approved	From FY 09/10
Operations	1,784	14,520	28,230	28,230	28,230	
Dredging	22,783	19,085	-	-	-	
Total	24,567	33,605	28,230	28,230	28,230	-15.99%
Revenue Sources						
Fees	26,559	30,000	30,000	30,000	30,000	
Total	26,559	30,000	30,000	30,000	30,000	0.00%
Staffing						
Numbers of Positions	-	-	-	-	-	

CCATS
Organizational Chart



Purpose: To oversee the operation of the Carteret County Area Transportation System (CCATS); to coordinate the provision of medical transportation to clients of Department of Social Services (DSS); to provide improved human service and public transportation to the citizens of Carteret County; and to seek grant funding to aid in accomplishing these tasks.

Major Accomplishments

- Replaced three (3) vans with lift-equipped, light transit vehicles using Federal Grant Funds.
- Added a sedan for longer trips, limited ridership, that do not require a lift.
- Total ridership increased 15%.
- Amended the Advisory Board bylaws to maintain compliance with Federal Transit Regulations and NC Department of Transportation/Public Transportation Division rules of operation and funding requirements.
- Revised the Advertising/Marketing approach to attract more general public and seasonal guest ridership.

Key Objectives

- Increase rural general public (RGP) transportation ridership by 15%.
- Pilot a seasonal fixed route bus service from Morehead City to the public access beaches and other tourist areas.
- Improve efficiencies in operations and costs with full use of scheduling software potentials.
- Expand advertising and marketing program to a multi-media approach including television, radio, and internet.

Key Measures	FY08 Actual	FY 09 Estimated	FY 10 Target	Desired Level
<i>Workload (Output)</i>				
Passenger Trips	55,256	60,914	66,000	75,000
<i>Efficiency</i>				
Service Miles	512,775	567,231	600,000	500,000
<i>Effectiveness</i>				
Passengers per Service Hour	2.15	2.25	2.30	3.0

Expenditure Category	2007-2008	Amended 2008-2009	2009-2010	2009-2010	2009-2010	Percent
	Actual	Budget 12/31/08	Requested	Recommended	Board Approved	Change From FY 09/10
Personnel	93,878	92,716	96,012	92,625	91,460	
Operations	559,778	494,330	749,158	512,800	512,800	
Capital Outlay	72,906	193,000	186,600	186,600	186,600	
Total	726,562	780,046	1,031,770	792,025	790,860	1.39%

Revenue Sources	2007-2008	Amended 2008-2009	2009-2010	2009-2010	2009-2010	Percent
	Actual	Budget 12/31/08	Requested	Recommended	Board Approved	Change From FY 09/10
Intergovernmental	379,646	539,009	574,844	574,844	574,844	
Fees	59,481	68,000	84,000	84,000	84,000	
Total	439,127	607,009	658,844	658,844	658,844	8.54%

Staffing	2007-2008	Amended 2008-2009	2009-2010	2009-2010	2009-2010	Percent
	Actual	Budget 12/31/08	Requested	Recommended	Board Approved	Change From FY 09/10
Full Time Positions	2	2	2	2	2	
FTE - Part Time Positions	-	-	-	-	-	
Numbers of Positions	2	2	2	2	2	0.00%

Environmental Protection

***Forest Fire Control
Landfill Closure
Waste Collections
Public Works***

Forest Fire Control

Environmental Protection

Purpose: To develop, protect, and manage the multiple resources of North Carolina's forests through professional stewardship, enhancing the quality of life for our citizens while ensuring the continuity of these vital resources. Services are provided in three (3) basic areas: 1) Forest Management – writing woodland management plans, at no charge, with recommendations for timber sales, tree planting, thinning, site preparation, insect and disease problems, maintaining water quality, etc.; 2) Forest Stewardship – how to participate in the program which emphasizes forest management, wildlife, aesthetics, soil and water quality; and 3) Forest Fire Control – prevention, pre-suppression, and suppression of forest fires. The County contracts with the State Department of Environment, Health and Natural Resources for forest fire control. The entire Forest Fire budget is \$315,449 of which the County funds 40% while the State funds 60%.

Major Accomplishments

- 15 Forest Management Plans written for Carteret County landowners involving 973 acres.
- 110 acres of forest regeneration (all planted).
- 12 inspections of forestry operations (Forest Best Management Practices) affecting 840 acres.

Key Objectives

- Write 36 Forest Management Plans in Carteret County.
- Conduct 400 acres of forest regeneration in Carteret County.
- Inspect 20 tracts for Forest Water Quality.
- Pursue construction of a new, entirely state funded Carteret County Forestry Headquarters.
- Urban Interface Exercise with volunteer fire departments, US Forest Service, and Carteret County Fire Marshall.

Expenditure Category	2007-2008	Amended 2008-2009	2009-2010	2009-2010	2009-2010	Percent
	Actual	Budget 12/31/08	Requested	Recommended	Board Approved	Change From FY 09/10
Forest Fire Contribution	115,289	124,000	126,180	124,000	124,000	
Total	115,289	124,000	126,180	124,000	124,000	0.00%
Revenue Sources	-	-	-	-	-	0.00%
Staffing						
Numbers of Positions	-	-	-	-	-	0.00%

Waste Collection

Environmental Protection

Purpose: Carteret County contracts with a private carrier, GDS of New Bern, for waste collection. There are twelve convenience sites located throughout the County where taxpayers can take their waste. The county pays a contract price per month to GDS, plus a tipping fee to the regional solid waste authority for waste carried over the scales.

Major Accomplishments

- Maintained the 12 Convenience Sites.
- Provided Recycle Service to all taxpayers.
- Provided Yard Waste Collection at central sites.

Key Objectives

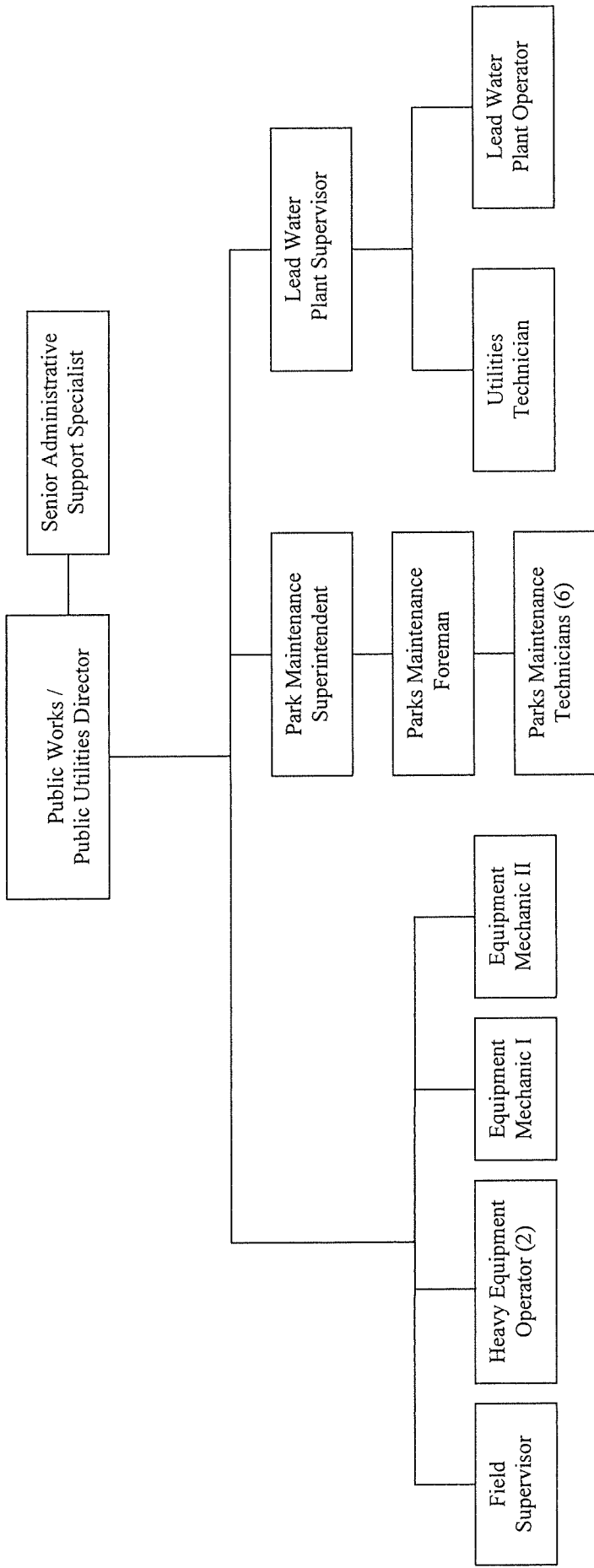
- Repair and upgrade existing convenience sites to meet county growth.
- Manage and improve services at each convenience site.
- Provide additional services mandated by new Solid Waste Law.

Fiscal Years	Tipping Fee
2002-2009	\$ 46.50
2010	\$ 48.50

Key Measures	FY08 Actual	FY 09 Estimated	FY 10 Target	Desired Level
<i>Workload (Output)</i>				
Solid Waste Program Cost	\$2,284,633	\$2,196,600	\$2,391,600	\$2,250,000
Tonnage Handled Each Year	18,328	18,400	18,600	18,600
<i>Efficiency</i>				
Cost per ton handled	\$124.65	\$119.38	\$128.58	\$120.97
Yard Waste & Recyclables kept out of Landfill	14.2%	15%	15%	15%
<i>Effectiveness</i>				
Actual vs. Desired Recycle Rate	94.7%	100%	100%	100%

Expenditure Category	2007-2008 Actual	Amended 2008- 2009 Budget 12/31/08	2009-2010 Requested	2009-2010 Recommended	2009-2010 Board Approved	Percent Change From FY 09/10
Operations	115,632	25,000	15,000	15,000	15,000	
Solid Waste Collections	2,169,001	2,241,600	2,201,600	2,231,600	2,231,600	
Landfill Closure	14,619	17,000	17,000	17,000	17,000	
Capital	-	-	175,000	-	-	
Total	2,299,252	2,283,600	2,408,600	2,263,600	2,263,600	-0.88%
Revenue Sources						
Intergovernmental	119,294	83,000	63,000	83,000	83,000	
Fees	2,229,849	2,200,000	2,243,000	2,230,000	2,230,000	
Total	2,349,143	2,283,000	2,306,000	2,313,000	2,313,000	1.31%
Staffing						
Numbers of Positions	-	-	-	-	-	

*Public Works/Public Utilities
Organizational Chart*



Public Works Department

Environmental Protection

Purpose: Assist county departments in maintenance, repairs, construction, and reconstruction of county owned vehicles, property, and equipment. Department reduces cost significantly for the county, which allows for efficient and cost effective operations of county owned vehicles, properties, and equipment. Public Works assists the Harbor Authority with dredging projects, pylon replacement, and waterway clearing for navigation and drainage. Public Works maintains the closed county landfill and maintains the entrance/exit roadways to twelve (12) convenience sites. To prevent the transmission of vector-borne disease to humans through education, inspection, surveillance, and monitoring for known or suspected breeding and harborage places. This program enforces the Ordinance of Carteret County and the laws adopted by the State of North Carolina.

Major Accomplishments

- Assumed the Mosquito Control program at the beginning of the fiscal budget year. Restructuring reduced the number of documented complaints from the public from over 3,000 in the previous year to less than 400 in the current year.
- The County Garage performs all on board diagnostics (OBD) and safety inspections for over 150 vehicles, an approximate \$4,000 savings to the County.
- All full time employees in Public Works participated in the new Beacon of Health employee wellness program and some are changing their lifestyle to achieve better personal health.

Key Objectives

- Implement proactive and preventative measures for mosquito control by early detection of larvae and improve efficiency by ensuring equipment is in proper working order.
- Maintain a high level of participation in the employee wellness program.
- Increase synergy with other departments to improve efficiency and create savings on contracted services.

Key Measures	FY08 Actual	FY 09 Estimated	FY 10 Target	Desired Level
<i>Workload (Output)</i>				
Mosquito Control Spraying (Spraying and Equipment Maintenance)	9,400	9,100	8,500	7,500
<i>Efficiency</i>				
Chilton Labor Rate- \$ 80 per hour in 2008	1,840	2,000	2,200	2,400
Savings realized by using in-house labor for vehicle maintenance	\$ 147,200	\$ 160,000	\$ 176,000	\$192,000
<i>Effectiveness</i>				
Part time groundskeeper hours	999	850	800	750

	2007-2008 Actual	Amended 2008-2009 Budget 12/31/08	2009-2010 Requested	2009-2010 Recommended	2009-2010 Board Approved	Percent Change From FY 09/10
Expenditure Category						
Personnel	259,215	388,267	407,463	402,665	398,090	
Operations	138,983	324,323	352,525	339,080	339,080	
Capital Outlay	17,500	53,100	-	-	-	
Total	415,698	765,690	759,988	741,745	737,170	0.08%
Revenue Sources	-	-	-	-	-	
Staffing						
Full Time Positions	6.00	7.00	7.00	7.00	7.00	
FTE - Part Time Positions	0.32	3.11	4.59	4.59	4.59	
Numbers of Positions	6.32	10.11	11.59	11.59	11.59	0.15

Economic & Physical Development

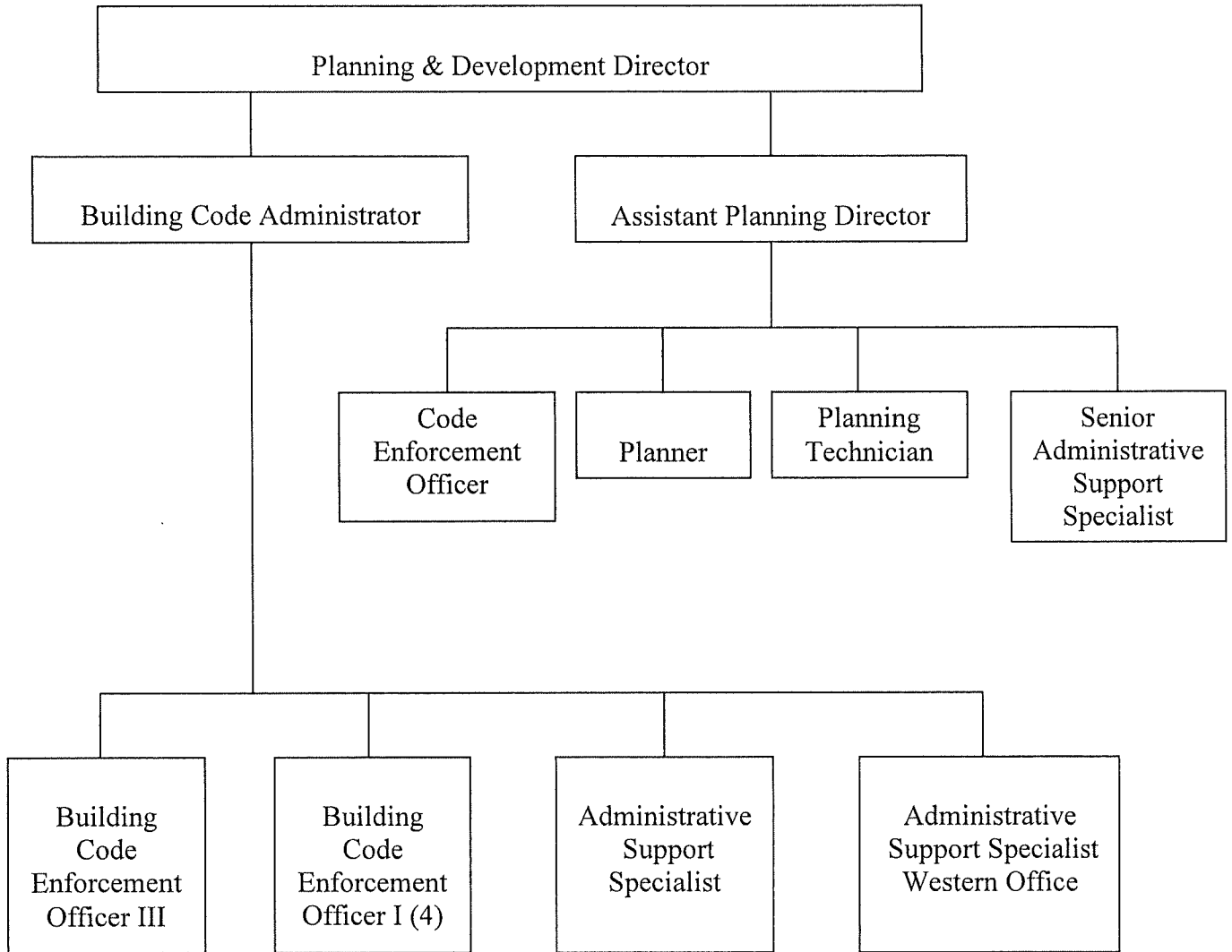
***Special Appropriations
Planning and Development
Engineering
Soil Conservation
Shore Protection
Cooperative Extension***

Special Appropriations**Economic and Physical Development****Purpose of Special Appropriations**

Carteret County makes an annual contribution to the Carteret County Economic Development Council, which is a private non-profit organization whose purpose is to promote business development in Carteret County.

	2007-2008 Actual	Amended 2008-2009 Budget 12/31/08	2009-2010 Requested	2009-2010 Recommended	2009-2010 Board Approved	Percent Change From FY 09/10
Expenditure Category						
Economic Development						
Council	175,000	175,000	175,000	165,000	165,000	
Business Development	110,000	100,000	-	-	25,000	
Total	285,000	275,000	175,000	165,000	190,000	-30.91%
Revenue Sources						
Intergovernmental	50,000	50,000	-	-	-	
Total	50,000	50,000	-	-	-	-100.00%
Staffing						
Numbers of Positions	-	-	-	-	-	0.00%

*Department of Planning & Development
Organization Chart*



Planning & Development Department

Economic and Physical Development

Purpose: The Department is responsible for guiding the overall growth of the County through implementation of local ordinances, the International Building Code, and the CAMA Land Use Plan. The department works in conjunction with the Planning Commission, Zoning Board of Adjustment and the Board of County Commissioners for approval of projects. The department is responsible for implementing the building inspections program, including the local administration of CAMA (Coastal Area Management Act) and the local Flood Damage Prevention Ordinances for the unincorporated areas of the County and the Towns of Bogue, Cape Carteret, Cedar Point, Pelletier, and Indian Beach.

Major Accomplishments

- Created the Tall Structures Ordinance.
- Instituted the MagNet software system for permits, planning and development cases, and code enforcement. The software is used to generate and process permits; track, archive, and create reports on building permits; and development cases.
- Completed the annual update of the Hazard Mitigation Plan.
- Revised the “Flood Tips” brochure and mailed it to several thousand residents that live in Special Flood Hazard Areas as part of the Community Rating System.
- Developed a system to advise applicants when subdivision approvals are expiring.
- Participated in the NC 24 study committee with the Towns of Morehead City, Bogue, Cape Carteret, Cedar Point and assistance from the Down East Rural Planning Organization (RPO) staff and Department of Transportation staff to prepare safety and access management recommendations for NC Highway 24 corridor.
- Met with, and provided development information to, the Military Growth Task Force consultants.
- Continued the County-initiated rezoning for split-zoned properties as part of an on-going program to reduce the existence of split-zonings.

Key Objectives

- Implement the next phase (Phase 2) of the MagNet software system to provide on-line functionality for the public to locate property information, view permit info, request or cancel inspections, view inspections summary information, and view zoning cases and code enforcement cases.
- Update the County’s 2005 hazard mitigation plan.
- Create a Unified Development Ordinance to compile all land development ordinances in one.
- Scan building permits and plans plus development cases and their related materials to better protect and retrieve them.
- Develop a commercial site plan review process for the Technical Review Committee and Planning Commission.
- Convert the official zoning maps to digital format.
- Explore opportunities to expand the use of Geographic Information System (GIS) and Global Positioning Systems (GPS) in departmental activities.

Key Measures	FY08 Actual	FY 09 Estimated	FY 10 Target	Desired Level
<i>Workload (Output)</i>				
Number of Inspections	11,863	9,333	10,000	11,000
Number of Permits Issued	2,910	2,400	2,500	2,700
<i>Efficiency</i>				
Average miles/inspection	9.3	9.0	8.9	8.9
<i>Effectiveness</i>				
% of violations that have met compliance	94%	83%	84%	100%

Expenditure Category	2007-2008	Amended 2008-2009	2009-2010	2009-2010	2009-2010	Percent
	Actual	Budget 12/31/08	Requested	Recommended	Board Approved	Change From FY 09/10
Personnel	789,300	842,630	854,755	753,552	742,487	
Operations	107,342	113,148	96,543	96,543	96,543	
Capital Outlay	87,983	-	31,620	15,120	15,120	
Total	984,625	955,778	982,918	865,215	854,150	-10.63%
Revenue Sources						
Fees	656,906	584,500	440,000	455,000	455,000	
Total	656,906	584,500	440,000	455,000	455,000	-22.16%
Staffing						
Full Time Positions	15.00	15.00	15.00	15.00	15.00	
FTE - Part Time Position	0.27	0.54	0.48	0.48	0.48	
Numbers of Positions	15.27	15.54	15.48	15.48	15.48	-0.39%

Engineering**Economic and Physical Development**

Purpose: The Engineering Department manages the planning and construction of County Government capital projects along with any in-house projects performed by Public Buildings and Public Works. Engineering also manages disaster debris removal and the county solid waste program

Major Accomplishments

- Managed \$1.2 million renovation of Beaufort Square space for library and county offices.
- Managed \$900,000 upgrade of West Beaufort water access on Town Creek.
- Managed design & construction of concession/restroom building, and site grading at Newport Park.
- Assisted in planning & design of consolidated 911 center.

Key Objectives

- Coordinate construction of buildings and ball field lighting at Newport Park.
- Coordinate landscaping and construction of tennis courts at Newport Park.
- Manage storm debris as required.
- Contract for repairs to county buildings.
- Provide technical assistance to public works, utilities, and public buildings departments as needed.

Expenditure Category	2007-2008	Amended 2008	2009-2010	2009-2010	2009-2010	Percent
	Actual	2009 Budget 12/31/08	Requested	Recommended	Board Approved	Change From FY 09/10
Personnel	125,649	130,695	112,089	103,330	102,750	
Operations	12,808	14,300	12,800	12,800	12,800	
Total	138,457	144,995	124,889	116,130	115,550	-19.9%

Revenue Sources

-	-	-	-	-
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Staffing

Full Time Positions	1.4	1.4	1	1	1	
FTE - Part Time Positions	-	-	-	-	-	
Numbers of Positions	1.4	1.4	1	1	1	-28.6%

Soil Conservation

Economic and Physical Development

Purpose: The Carteret Soil and Water Conservation District provides a program to properly develop, use, manage, and improve the natural resources in Carteret County. The purpose of the district is to develop an effective conservation program and provide quality technical assistance to communities and the public. The department works in conjunction with other county departments and local schools to increase awareness of soil and water issues.

Major Accomplishments

- Obligated \$30,000 of state cost share money on agricultural land to improve water quality.
- Provided technical assistance to landowners and other county departments with soils interpretations, drainage information, aerial photos and erosion control information.
- Completed \$15,000 of a project using state grant funds to clear blockages of downed trees in the upper Newport River, to improve drainage and navigation.
- Conducted presentations to local school groups educating them on the importance of protecting natural resources.

Key Objectives

- Continue to provide technical assistance to landowners in regards to soils information, drainage assistance and implementing conservation practices.
- Continue to implement the NC Agricultural cost share program with funds received.
- Provide information needed in the preparation of regulations and ordinances evaluating soil and water resources of proposed sites.
- Assist with aerial photos and soils information to landowners, consultants and developers on a daily basis.
- Cooperate in programs, plans, and needs of local, federal and state agencies.
- Implement the Community Conservation Program in which state monies will be used to promote voluntary conservation storm water best management practices.

Key Measures	FY08 Actual	FY 09 Estimated	FY 10 Target	Desired Level
<i>Workload (Output)</i>				
Client provided with soil and water conservation information	600	625	650	600
<i>Efficiency</i>				
Providing soil survey books and information within 1 week	100	100	110	100
<i>Effectiveness</i>				
Soil saved from run off by specific site evaluation (tons)	200	200	200	200
Nitrogen prevented from entering waterways by specific site evaluation (lbs.)	5,000	5,000	5,000	5,000

Expenditure Category	2007-2008	Amended 2008-2009	2009-2010	2009-2010	2009-2010	Percent
	Actual	Budget 12/31/08	Requested	Recommended	Baord Approved	Change From FY 09/10
Personnel	60,784	57,308	58,214	45,389	44,809	
Operations	9,860	12,009	5,726	5,726	9,281	
Total	70,644	69,317	63,940	51,115	54,090	-26.3%
Revenue Sources						
Intergovernmental	21,204	19,000	21,000	21,000	21,000	
Total	21,204	19,000	21,000	21,000	21,000	10.5%
Staffing						
Full Time Positions	1.00	1.00	1.00	1.00	1.00	
FTE - Part Time Positions	0.60	0.48	0.48	-	-	
Numbers of Positions	1.60	1.48	1.30	1.00	1.00	-32.4%

Cooperative Extension Service

Economic and Physical Development

Purpose: The Department is a leader in outreach education and provides reliable information and lifelong opportunities. The mission is to help individuals, families, and communities put research based knowledge to work to improve their lives. The department disseminates local research and findings in water quality, environmental issues, agricultural issues, alternate crop opportunities, horticultural issues, family and consumer science issues, youth development, and seafood lab research, as it relates to County citizens. The County contracts with NC State University and funds half the salaries of seven positions.

Major Accomplishments

- Secured \$414,000 in grant monies to extend watermelon production for Bogue Sound Watermelon Cooperative to build a packing facility.
- Provided services and coordinated the production of blue crab in fresh water fish ponds to bring research information to commercial production for Carteret County farmers.
- Color Me Healthy training was provided for all Head Start Teachers in child care centers to teach children that healthy food and physical activity are fun.
- 260 third grade students participated in the Steps to Health program, an 8 week nutrition, and physical activity program.
- Provided Eat Smart, Move More, Weigh Less classes to the public and to Carteret County employees through the Beacon of Health employee wellness program.
- 4-H programs reached a total of 3,719 youth in calendar year 2008. These programs include: traditional and specialized club; school and summer enrichment programs; after school programs; week-long overnight camping; and specialized programs for youth with special needs.

Key Objectives

- Continue to focus on enhancing agricultural, forest, food systems plus value added Agri-tourism by providing educational programs to farmers and agribusinesses with research-based knowledge they need to remain a force in our economy.
- The 4-H program will continue to work with youth in developing a more responsible youth society by offering various programs such as: special interest programs, summer camps, school enrichment, and after-school child care.
- Work to conserve and improve the environment and natural resources by offering a range of educational programs covering water quality, waste management, wildlife management, collaborative problem-solving, and more.

Key Measures	FY08 Actual	FY 09 Estimated	FY 10 Target	Desired Level
<i>Workload (Output):</i> Limited resource families showing improvement in nutrition practices	97%	97%	97%	100%
Students reached through 4-H programs	3,719	3,905	4,100	100%
<i>Efficiency:</i> Families graduated from nutrition program	100%	100%	100%	100%
<i>Effectiveness:</i> Participants improved nutrition and food safety	86%	88%	90%	100%
Percentage of students served through 4-H programs	40%	42%	44%	100%

Expenditure Category	2007-2008	Amended 2008-2009	2009-2010	2009-2010	2009-2010	Percent Change From FY 09/10
	Actual	Budget 12/31/08	Requested	Recommended	Baord Approved	
Personnel	60,784	57,308	58,214	45,389	44,809	
Operations	9,860	12,009	5,726	5,726	9,281	
Total	70,644	69,317	63,940	51,115	54,090	-26.3%
Revenue Sources						
Intergovernmental	21,204	19,000	21,000	21,000	21,000	
Total	21,204	19,000	21,000	21,000	21,000	10.5%
Staffing						
Full Time Positions	1.00	1.00	1.00	1.00	1.00	
FTE - Part Time Positions	0.60	0.48	0.48	-	-	
Numbers of Positions	1.60	1.48	1.30	1.00	1.00	-32.4%

Shore Protection Office

Economic & Physical Development

Purpose: The Shore Protection Office serves as the main point of contact for all beach restoration activities, secures federal, state, and private sector funding for shore protection projects; serves as principle liaison with the US Army Corps of Engineers (USACE); NC Division of Coastal Managements (NCDCM); and NC Division of Water Resources. Oversees and coordinates county lobbying efforts and communications with Federal and State elected and appointed officials, and provides staff support and guidance to the Carteret County Beach Commission.

Major Accomplishments

- Secured \$206,500 (Federal) and an additional \$103,250 of State funds for the Bogue Banks Shore Protection Project Feasibility Study (50-year Project) collectively in FY 2007-08 and FY 2008-09. Federal appropriations for Federal FY 2009 are pending.
- Helped secure approximately \$5,000,000 for the maintenance of the Morehead City Harbor (Ocean Bar with Inner Harbor touch up work) and via continuing resolutions, an additional \$2,500,000 for Morehead City Harbor, \$200,000 for Bogue Inlet, \$100,000 for Beaufort, and \$2,500,000 for the Atlantic Intracoastal Waterway (AIWW). The AIWW scope of work for FY 2009 includes the inlet crossing near Cedar Point with dredge material placement at western Emerald Isle. Helped secure \$122,000 of State funding for this latter effort was well.
- Reached a settlement agreement with the US Army Corp of Engineers in December 2008 concerning dredged material handling conflicts at the Morehead City Harbor Navigation Project.

Key Objectives

- Secure additional Federal and State funding to complete the feasibility study and possibly initiate the Preconstruction, Engineering, and Design (PED) Phase of the Bogue Banks Shore Protection Project; a U.S. Army Corps of Engineers 50-year beach nourishment plan for the island. The level of funding anticipated in FY 2009-10 is \$600,000 which includes a 25% match.
- Assist County to secure funding for deep draft and shallow draft waterway dredging particularly funding at the Morehead City Harbor.
- Continue to provide technical input to the U.S Army Corps of Engineers regarding the Bogue Banks Shore Protection Project Feasibility Study and PED that should be completed and possibly initiated in 2009-10. Collaborate intensively with Bogue Banks municipalities and legal counsel to formulate a beach nourishment plan for the island that is acceptable to all stakeholders.
- Continue to work with local municipalities concerning beach parking and access plans that will meet Federal requirements for beach nourishment.

Expenditure Category	2007-2008	Amended 2008-2009	2009-2010	2009-2010	2009-2010	Percent
	Actual	Budget 12/31/08	Requested	Recommended	Board Approved	Change From FY 09/10
Personnel	93,552	101,525	102,412	103,375	103,375	
Operations	222,399	231,645	331,645	331,645	331,645	
Contracted Services	386,019	665,000	510,700	510,700	510,700	
Total	701,970	998,170	944,757	945,720	945,720	-5.25%

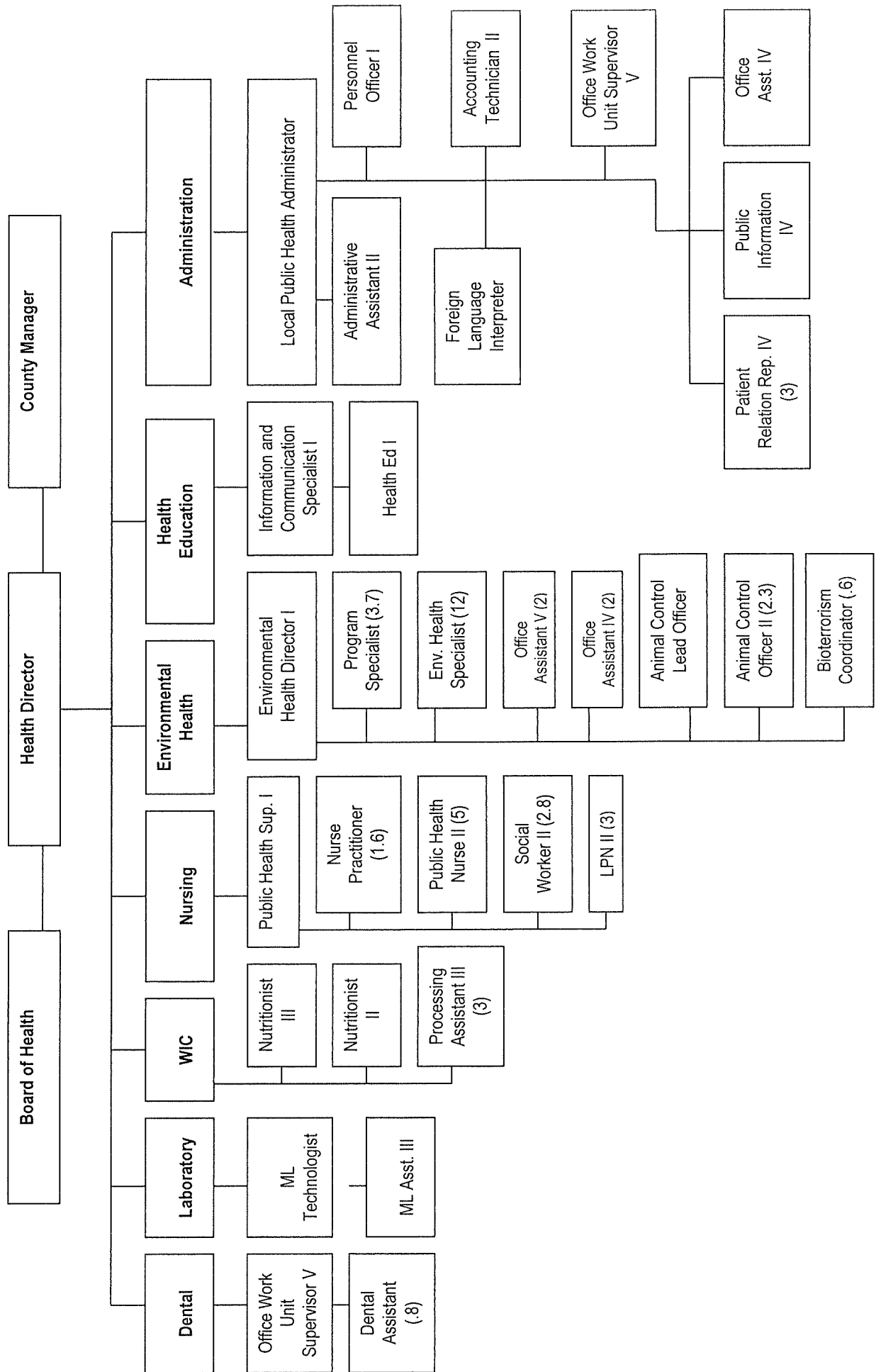
Revenue Sources	2007-2008	Amended 2008-2009	2009-2010	2009-2010	2009-2010	Percent
	Actual	Budget 12/31/08	Requested	Recommended	Board Approved	Change From FY 09/10
Other Taxes	598,720	898,170	794,757	795,720	795,720	
Intergovernmental	103,250	100,000	150,000	150,000	150,000	
Total	701,970	998,170	944,757	945,720	945,720	-5.25%

Staffing	2007-2008	Amended 2008-2009	2009-2010	2009-2010	2009-2010	Percent
	Actual	Budget 12/31/08	Requested	Recommended	Board Approved	Change From FY 09/10
Full Time Positions	1	1	1	1	1	
FTE Part Time Position	-	-	-	-	-	
Numbers of Positions	1	1	1	1	1	0.00%

Human Services

Health Services
Environmental Health
Smart Start Grant
Other Human Services
Aging Services
Social Services
Juvenile Restitution
Veterans Services

Health Department FY 09-10 Organizational Chart



Health Department

Human Services

Purpose: To provide core public health functions of assessment, policy development, and assurance and administrative support to all public health staff. Further to administer communicable disease prevention, screening, and treatment of all reportable communicable disease; provide a comprehensive immunization and inmate health program; and to prepare for and exercise response to disasters.

Major Accomplishments

- Conducted seasonal influenza clinic; implementing a drive thru clinic.
- Facilitated Tdap clinics for administration of state required vaccines, given to rising sixth graders.
- Received an award from Sanofi Pasteur for offering other recommended vaccines like Menactra, Gardasil, and Hep A.

Key Objectives

- Continue indigent drug program.
- Continue to partner with School Health Advisory Council.
- Monitor State Health Alert Network for alerts and emerging diseases.
- Monitor North Carolina immunization registry and communicate with medical offices, day cares, and parents regarding childhood age appropriate vaccine requirements.

Key Measures	FY08 Actual	FY 09 Estimated	FY 10 Target	Desired Level
<i>Workload (Output)</i>				
Immunizations Given	3248	3489	3489	3489
Influenza Vaccine Given	996	1454	1454	1454
Flu Clinics Conducted	7	5	5	6
<i>Efficiency</i>				
% of 2 year olds receiving age appropriate immunizations	91%	92%	92%	92%
% of County Children Receiving Immunizations	75%	76%	76%	76%
<i>Effectiveness</i>				
Complaints per 1000 pop	2	1	0	0

Expenditure Category	2007-2008	Amended 2008-2009	2009-2010	2009-2010	2009-2010	Percent
	Actual	Budget 12/31/08	Requested	Recommended	Board Approved	Change From FY 09/10
Personnel	809,594	878,347	947,739	940,570	925,570	
Operations	268,827	292,464	233,099	220,080	220,080	
Total	1,078,421	1,170,811	1,180,838	1,160,650	1,145,650	-2.15%
Revenue Sources						
Intergovernmental	180,287	203,949	231,253	231,253	231,253	
Fees	80,071	65,000	60,000	60,000	60,000	
Total	260,358	268,949	291,253	291,253	291,253	8.29%
Staffing						
Full Time Positions	12.70	13.90	13.50	13.50	13.50	
FTE - Part Time Positions	-	1.44	1.44	0.86	0.86	
Numbers of Positions	12.70	15.34	14.94	14.36	14.36	-6.39%

HEALTH PROMOTION – To promote community health focusing on policy change, modifications to laws, regulations, formal and informal rules, as well as standards of practice. Environmental change describes changes to physical and social environments that provide new or enhanced supports for healthy behaviors. To identify and refer for treatment individuals identified with abnormalities related to chronic disease such as cancer, diabetes, and glaucoma, and to reduce premature death and disability due to high blood pressure.

BREAST & CERVICAL CANCER CONTROL PROGRAM – To increase the number of high risk women provided breast and cervical cancer screening, follow-up, and re-screening services in Carteret County, 75% of whom must be at least 50 years of age or older.

COMMUNICABLE DISEASE – To protect the public from any disease outbreak. To report and conduct outbreak investigations, case and carrier investigation, and surveillance. To provide screening, diagnostic, and treatment services for sexually transmitted diseases, tuberculosis, and other reportable disease to include HIV. To carry out public health and related laws. To provide education and alerts to other public and private providers for early identification and management of communicable diseases.

FAMILY PLANNING – To improve pregnancy outcomes, to improve the health status of women before pregnancy, and to assure all pregnancies are intended.

MATERNAL HEALTH – To reduce infant morbidity and to improve the health status of women during pre-conception, pregnancy, and post-partum period.

Major Accomplishments

- Health Educator earned national designation as a Certified Health Educator Specialist (CHES).
- Awarded \$20,000 Eat Smart Move More Grant for walking trail/fitness stations at Newport Park.
- Helped to develop Carteret County Government employees' wellness website and health screenings.
- Collaborated with Town of Newport to submit \$300,000 NCDOT Safe routes to School Grant.
- Provided education to the public through TV Broadcast on Cable Channel 10.
- Received additional funding for patients age 40-64 mammography and age 18-64 for pap screenings.
- Provided TB screening, assessment, follow-up and management services to long term care facilities, group homes, and "at risk population".
- Transitioned to online reporting for communicable disease/sexually transmitted disease and tuberculosis through NCEDDs making communicable disease investigations more thorough and expedient.
- Provided health alerts and timely information to the public and medical offices.
- Provided Presumptive Eligibility for pregnant women, provided prenatal services to pregnant women who had no alternative resources, and provided post-partum home visits.

Key Objectives

- Establish NC Quitline Referral Policy (tobacco cessation) for health department clinic and case management programs.
- Establish worksite wellness committee in at least three schools.
- Increase community awareness of health department's programs and services.
- Educate the public and health professionals about breast and cervical cancer.
- Actively monitor disease alerts and outbreaks and alert the medical community and public as necessary.
- Identify at risk tuberculosis population and administer TST/PPD's and follow-up with rapid sputum and chest x-rays if indicated.
- Encourage male participants in Family Planning.
- Communicate with private providers to assure good pregnancy outcome.

Key Measures	FY08 Actual	FY 09 Estimated	FY 10 Target	Desired Level
<i>Workload (Output)</i>				
Health Education Presentations	21	30	35	35
Media Outreach (news articles, TV shows, interviews)	220	250	280	280
Breast & Cervical Cancer clients seen	101	105	110	120
STD clients screened	462	480	485	485
Tuberculosis skin test given	927	950	980	980
Family planning clinic visits	897	837	850	850
Family planning clients served	497	768	780	780
Prenatal Visits	315	345	350	350
Maternity Care Coordination Home Visits	435	370	370	370
<i>Efficiency</i>				
Nurse Practitioner breast & cervical cancer visits	101	105	110	120
Positive tuberculosis reads	25	30	30	30
STD clients referred for other services	60	70	70	70
Family planning visits per nurse practitioner	400/400/97	390/389/57	380/380/90	380/380/90
Family Planning clients per Nurse Practitioner	200/200/97	350/350/68	350/350/80	350/350/80
Prenatal visits per nurse practitioner	309	340	348	348
Post-partum visits performed per RN	31	22	28	28
<i>Effectiveness</i>				
Breast & Cervical client complaints per 1000 population	0	0	0	0
Family planning complaints per 1000 population	1	1	0	0
Maternity complaints per 1000 population	0	0	0	0

Expenditure Category	2007-2008	Amended 2008-2009	2009-2010	2009-2010	2009-2010	Percent
	Actual	Budget 12/31/08	Requested	Recommended	Board Approved	Change From FY 09/10
HEALTH PROMOTION						
Personnel	77,834	96,889	97,443	60,715	60,415	
Operations	799	20,900	900	400	400	
Capital Outlay	-	-	-	-	-	
Total	78,633	117,789	98,343	61,115	60,815	-48.37%
BREAST & CERVICAL CANCER						
Personnel	25,181	26,148	27,754	27,298	27,028	
Operations	17,394	29,737	16,222	16,222	16,222	
Capital Outlay	-	-	-	-	-	
Total	42,575	55,885	43,976	43,520	43,250	-22.61%
COMMUNICABLE DISEASE						
Personnel	80,606	142,106	146,762	144,790	143,620	
Operations	1,347	1,500	1,200	1,200	1,200	
Total	81,953	143,606	147,962	145,990	144,820	0.85%
FAMILY PLANNING						
Personnel	117,526	135,660	129,801	129,800	129,800	
Operations	60,858	44,320	44,020	44,020	44,020	
Total	178,384	179,980	173,821	173,820	173,820	-3.42%
MATERNAL HEALTH						
Personnel	174,836	195,140	196,988	196,985	196,985	
Operations	2,467	3,500	2,250	2,250	2,250	
Total	177,303	198,640	199,238	199,235	199,235	0.30%
TOTAL PROGRAM EXPENSES						
Personnel	475,983	595,943	598,748	559,588	557,848	
Operations	65,471	70,220	64,592	64,092	64,092	
Capital Outlay	-	-	-	-	-	
Total	541,454	666,163	663,340	623,680	621,940	-6.64%
Revenue Sources						
Intergovernmental	395,446	357,998	329,808	344,808	344,808	
Appropriated Fund Balance	-	-	-	107,078	107,078	
Fees	79,748	80,000	68,500	68,500	68,500	
Total	475,194	437,998	398,308	520,386	520,386	18.81%
Staffing						
Full Time Positions	10.60	10.60	10.20	10.20	10.20	
FTE - Part Time Positions	0.96	0.96	1.20	1.20	1.20	
Number of Positions	11.56	11.56	11.40	11.40	11.40	-1.38%

Dental

Human Services

Purpose: To improve oral health through dental education, prevention, and treatment services. To increase capacity to meet local dental needs through coordination of county, state, and private dental services. To improve dental access for low income children by establishing a safety net for treatment services.

Major Accomplishments

- Maximized dental access for low-income children in a school-based environment, including many that received dental services for the first time.
- Delivered clinical outreach services for Head Start preschool centers and joined the Give Kids a Smile initiative in providing services to specially-identified children in need of care.

Key Objectives

- Increase outreach services to outlying schools and preschool centers using portable dental equipment.
- Provide education to improve knowledge, attitude, self-responsibility and personal practice in maintaining optimal oral and dental health.
- Maintain community support for programming through the inter-agency planning and service outreach.

Key Measures	FY07 Actual	FY 08 Estimated	FY 09 Target	Desired Level
Workload (Output)				
Clients	549	600	650	700
Procedures	3,758	3,950	4,100	4,200
Educational Groups Served	18	20	22	24
Health Fairs	1	2	3	4
Efficiency				
Schools visited	9	10	10	12
Schools Served	14	14	16	17
Head Start Preschool Centers	7	7	9	11
Staff	3	3	3	3
Effectiveness				
Complaints per 1000 pop	0	0	0	0

Expenditure Category	2007-2008	Amended 2008-2009	2009-2010	2009-2010	2009-2010	Percent Change From FY 09/10
	Actual	Budget 12/31/08	Requested	Recommended	Board Approved	
Personnel	221,609	184,495	145,397	84,709	82,039	
Operations	23,983	83,479	29,226	89,926	89,926	
Total	245,592	267,974	174,623	174,635	171,965	-35.83%

Revenue Sources	2007-2008	Amended 2008-2009	2009-2010	2009-2010	2009-2010	Percent Change From FY 09/10
	Actual	Budget 12/31/08	Requested	Recommended	Board Approved	
Intergovernmental	159,513	104,000	100,000	100,000	100,000	
Appropriated Fund Balance	-	-	-	71,965	71,965	
Total	159,513	104,000	100,000	171,965	171,965	65.35%

Staffing	2007-2008	Amended 2008-2009	2009-2010	2009-2010	2009-2010	Percent Change From FY 09/10
	Actual	Budget 12/31/08	Requested	Recommended	Board Approved	
Full Time Positions	2.80	2.80	1.80	1.80	1.80	
FTE - Part Time Positions	-	-	0.48	0.48	0.48	
Numbers of Positions	2.80	2.80	2.28	2.28	2.28	-18.57%

Public Health Preparedness & Response Program

Human Services

Purpose: Strengthen the local public health infrastructure and capacity for effective response to emergencies, disasters and possible bioterrorism events. To enhance all hazard strategic planning and direction, coordination and assessment, surveillance and detection capacities, risk communication and health information dissemination, and education and training.

Major Accomplishments

- Conducted a full-scale Strategic National Stockpile (SNS) Exercise which included the request, receipt, and inventory of medications from the CDC in Atlanta, GA and a Mock Press Conference for Public Information Officers.
- Participated in “Community Containment” Exercise following our Pandemic Influenza Plan and in a “Dirty Bomb” Exercise following protocols for a Radiological Dispersal Device Emergency.
- Presented a poster session at the NAACHO Preparedness Summit on the Carteret County Pre-Hurricane Assessment which was conducted in 2007.

Key Objectives

- Exercise the Pandemic Influenza Plan and the SNS Plan to improve operational readiness. Develop a Community Containment Section of the plan to include social distancing and isolation and quarantine procedures. Provide training and educational opportunities for community partners and the general public.
- Meet the requirements for continued State funding by planning and participating in three required exercises, attending conferences, meetings, revising all planning documents and other requirements in the Agreement Addendum for the Preparedness Program.
- Assure Fit Testing and work force preparedness training for Health Department employees.

Key Measures	FY08 Actual	FY 09 Estimated	FY 10 Target	Desired Level
<i>Workload (Output)</i>				
Educational Program: Emergency Preparedness & Response	12	12	12	12
Pan Flu Presentations	10	12	12	12
<i>Efficiency</i>				
Participants in Educational Programs	150	150	150	175
Participants in Pan Flu Presentations	165	175	175	400
<i>Effectiveness</i>				
Percent of Participant Evaluations rate good to excellent	90	90	90	100
Percent of County Pop Receiving Pan Flu Information	20	40	60	100

Expenditure Category	2007-2008	Amended 2008-2009	2009-2010	2009-2010	2009-2010	Percent
	Actual	Budget 12/31/08	Requested	Recommended	Board Approved	Change From FY 09/10
Personnel	98,693	66,425	69,056	67,871	64,371	
Operations	15,852	9,774	6,799	5,914	5,914	
Total	114,545	76,199	75,855	73,785	70,285	-7.76%
Revenue Sources						
Intergovernmental	78,105	53,378	53,378	53,378	53,378	0.00%
Staffing						
Full Time Positions	1.6	1.1	1.1	1.1	1.1	
FTE- Part Time Positions	-	-	-	-	-	
Numbers of Positions	1.6	1.1	1.1	1.1	1.1	0.00%

Children Services

Health Services

CHILD HEALTH – Reduce mortality and morbidity among children and youth through early detection and follow-up of assessments, development, and or social concerns.

CHILD CARE COORDINATION - To cooperate and collaborate with families of young children to assure identification of and access to preventative, specialized, and support services for themselves and their children. To assure children with special needs will have the maximum opportunity to reach their developmental potential.

Major Accomplishments

- Successful Child Service Coordination and Child Health audit by State consultants 8/2/08.
- Provided follow-up and investigation of elevated lead levels in children.
- Signed Memorandum of Agreement with Coastal Clinic for Children and Adolescents to provide Health Check Physicals for uninsured children.
- Offered Child Service Coordination services to all potential recipients within two weeks of identification.
- Presented award by Child Health Branch for efforts with Open House for community professionals to promote the program.
- Collaborated with audiologist to provide follow-up of newborn hearing screenings at the Health Department.
- Registered Nurse participating in Child Health Enhanced Role to perform health physicals for uninsured children.

Key Objectives

- Provide counseling to families of children who die from Sudden Infant Death Syndrome (SIDS).
- Provide training to child care employees.
- Collaborate and communicate with Children’s Developmental Services Agency (CDSA) to assure potentially eligible children receive services.
- Provide child health physicals for educational institutions and sport activities.
- Conduct hearing screenings on all new children in the Child Health Clinic.
- Continue to collaborate with WIC, Maternal Health, and Child Health to identify potentially eligible children.
- Continue collaboration with community hospital nursing staff and social workers to identify eligible infants.
- Make outreach efforts to local pediatricians and general practitioners offices to increase awareness of the program and in turn increase referrals.

Key Measures	FY 08 Actual	FY 09 Estimated	FY 10 Target	Desired Level
<i>Workload (Output)</i>				
Child Health Physicals Performed	87	88	90	90
New Born Home Visits	54	55	55	55
Child Deaths Under 18 years	3	3	3	0
Children followed and tracked	325	330	330	330
Total Medicaid/non-Medicaid Service Units Billed/Reported	5,951/296	5,955/298	5,958/300	5,960/300
<i>Efficiency</i>				
Physicals Performed per Family Nurse Practitioner	43.5	44	45	45
Home Visits per RN	54	55	55	55
Child Deaths Reviewed per Staff	3	3	3	0
Billable units per CSC	1,984	1,986	1,986	1,986
<i>Effectiveness</i>				
Complaint per 1000 pop	0	0	0	0

Expenditure Category	2007-2008	Amended 2008-2009	2009-2010	2009-2010	2009-2010	Percent
	Actual	Budget 12/31/08	Requested	Recommended	Board Approved	Change From FY 09/10
Child Health						
Personnel	74,480	78,265	93,832	92,215	91,325	
Operations	1,577	3,415	3,415	3,415	3,415	
Total	76,057	81,680	97,247	95,630	94,740	15.99%
Child Services Coordination						
Personnel	168,138	168,674	183,752	183,750	183,750	
Operations	2,261	3,150	3,000	3,000	3,000	
Total	170,399	171,824	186,752	186,750	186,750	8.69%
Total Programs	246,456	253,504	283,999	282,380	281,490	11.39%
Revenue Sources						
Intergovernmental	232,795	179,720	175,655	175,655	175,655	
Appropriated Fund Balance	-	-	-	67,057	67,057	
Fees	432	500	500	500	500	
Total	233,227	180,220	176,155	243,212	243,212	34.95%
Staffing						
Full Time Postions	5.30	5.30	5.54	5.54	5.54	
FTE - Part Time Positions	-	-	0.48	0.48	0.48	
Numbers of Positions	5.30	5.30	6.02	6.02	6.02	13.58%

ADMINISTRATION – Provide vendor activities in accordance with state guidelines; and maintain administrative records in preparation of budget and expenditure reports

NUTRITION – To provide nutrition education designed to improve the health status and nutrition habits of participants and caretakers. Nutrition education is an important part and is considered a benefit of the WIC program.

CLIENT SERVICE – To provide eligibility determination in association with the WIC certification issuance and explanation of food instruments, referrals to other social and health care services and outreach activities.

BREASTFEEDING -Promotion efforts to increase the number of women who initiate breastfeeding and to lengthen the amount of time that they successfully breastfeed their infants.

Major Accomplishments

- WIC increase in vendor monies from \$947,557 to \$969,574.
- Collaborated with NC Cooperative Extension by offering bilingual Expanded Food and Nutrition Education Program classes.
- Active participation of 1350 base caseload up to 100%, with no staff increase.
- Implemented WIC initiative “Move to Lower Fat Milk”.
- Exhibited breastfeeding environment, especially in the breastfeeding room designed for optimal comfort for a breastfeeding client. Promoted breastfeeding through new bulletin board, educational video, one-on-one counseling, and follow-up after delivery by the Breastfeeding Educator.

Key Objectives

- Educate clients, local pediatricians, and Carteret County Health Department staff on changes in the WIC program, policies, and procedures recommended by the State WIC Office.
- Continue to offer additional Nutrition Classes through the EFNEP Program at the Carteret County Health Department.
- Provide early preventive recommendations for parents/caretakers to deter incidence of childhood obesity in Carteret County.

Expenditure Category	2007-2008 Actual	Amended 2008-2009 Budget 12/31/08	2009-2010 Requested	2009-2010 Recommended	2009-2010 Board Approved	Percent Change From FY 09/10
ADMINISTRATION						
Personnel	18,890	25,481	21,894	21,603	21,453	
Operations	280	217	217	217	217	
Total	19,170	25,698	22,111	21,820	21,670	-15.67%
NUTRITION						
Personnel	60,009	63,542	56,506	55,085	54,305	
Operations	354	500	500	500	500	
Total	60,363	64,042	57,006	55,585	54,805	-14.42%
CLIENT SERVICES						
Personnel	155,779	169,339	173,992	170,820	169,040	
Operations	7,385	6,660	5,385	4,100	4,100	
Total	163,164	175,999	179,377	174,920	173,140	-1.62%
BREASTFEEDING						
Personnel	19,046	14,655	14,732	14,565	14,465	
Operations	-	600	-	-	-	
Total	19,046	15,255	14,732	14,565	14,465	-5.18%
GRAND TOTAL	261,743	280,994	273,226	266,890	264,080	-6.02%
Revenue Sources						
Intergovernmental	181,055	192,949	91,917	206,550	206,550	7.05%
Staffing						
Full-Time Positions	5.5	5.5	5.5	5.5	5.5	
FTE - Part time Positions	-	-	-	-	-	
Total Positions	5.5	5.5	5.5	5.5	5.5	0.00%

Expenditure Category	2007-2008 Actual	Amended 2008- 2009 Budget 12/31/08	2009-2010 Requested	2009-2010 Recommended	2009-2010 Board Approved	Percent Change From FY09/10
ADMINISTRATION						
Personnel	4,670,797	4,991,200	5,245,601	5,209,125	5,133,625	
Communications	452,657	667,500	487,515	475,015	472,015	
Professional Services	-	-	-	-	-	
Capital Outlay	-	70,000	-	-	-	
Total	5,123,454	5,728,700	5,733,116	5,684,140	5,605,640	-2.15%
GENERAL ASSISTANCE	163,259	354,000	379,500	379,500	379,500	7.20%
SPECIAL ASSISTANCE	5,282,506	4,805,085	3,261,897	3,261,895	3,261,895	-32.12%
SPECIAL PROJECTS	356,807	448,929	456,720	456,720	456,720	1.74%
INF	311,669	443,225	414,622	414,620	414,620	-6.45%
GRAND TOTAL	11,237,695	11,779,939	10,245,855	10,196,875	10,118,375	-14.11%
Revenue Sources						
Intergovernmental	6,573,825	6,320,273	6,500,283	6,500,283	6,500,283	
Miscellaneous	55,329	115,351	128,677	128,677	128,677	
Total	6,629,154	6,435,624	6,628,960	6,628,960	6,628,960	3.00%
Staffing						
Full Time Positions	99.00	101.00	101.00	101.00	101.00	
FTE of Part Time Positions	-	0.30	0.30	0.30	0.30	
Total Positions	99.00	101.30	101.30	101.30	101.30	-

Juvenile Restitution Department

Human Services

Purpose: This program provides the structure enabling adjudicated juvenile offenders the opportunity to perform community service at non-profit work sites and earn dollars to compensate society and victims. Dollars earned through community service are paid directly to the victim(s) by this program. It holds each client accountable for fulfilling the applicable parts of their sentence and for behavior at the work site. It is anticipated that successful completion of this program enables the juvenile to understand that improper behavior generates a level of punishment for misdeeds. Juvenile Restitution also allows clients the opportunity to learn basic interpersonal skills, affords the ability to work with positive role models, increase self-esteem, and gain exposure to the work place.

Major Accomplishments

- Served 172 clients.
- 96.5% completed all obligations successfully. Two were terminated and four additional clients are still in progress.
- 92.2% successfully completed community service obligation.
- 87% of all restitution due has been paid with another \$1,922 in progress.
- 96.5% of the clients were greeted within 5 business days with the average lead time of 1.8 days.

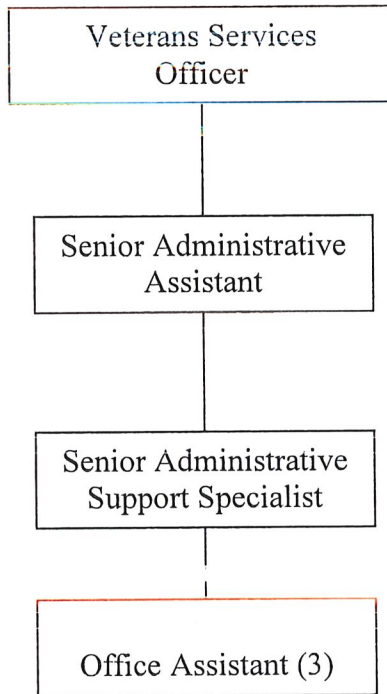
Key Objectives

- Serve 150 clients in 2009-10.
- Greet 92% of the clients within 5 business days.
- Monitor and manage juveniles to ensure 90% successfully complete their community service assignments.
- Monitor and manage clients to ensure 88% pay all of their restitution due.

Key Measures	FY08 Actual	FY 09 Estimated	FY 10 Target	Desired Level
<i>Workload (Output)</i>				
Client Load	172	150	150	150
<i>Efficiency</i>				
Scheduling Efficiency	96.5%	94.4%	92.0%	90%+
<i>Effectiveness</i>				
Community Service	92.2%	92%	90.0%	90-92%
Collection Results	87.0%	89.0%	88.0%	85-90%

Expenditure Category	2007-2008	Amended 2008-2009	2009-2010	2009-2010	2009-2010	Percent Change From FY 09/10
	Actual	Budget 12/31/08	Requested	Recommended	Board Approved	
Personnel	36,792	38,653	38,886	38,886	38,886	
Operations	21,366	21,268	20,764	20,764	20,764	
Total	58,158	59,921	59,650	59,650	59,650	-0.45%
Revenue Sources						
Intergovernmental	58,074	60,126	59,650	59,650	59,650	-0.79%
Staffing						
Full-Time Positions	1	1	1	1	1	
FTE - Part Time Positions	-	-	-	-	-	
Numbers of Positions	1	1	1	1	1	0.00%

*Veterans
Organizational Chart*



Purpose: The purpose of the Veterans Services Department is to assist County veterans and their families in the presentation, processing, proof, and establishment of claims, privileges, rights, and benefits under federal, state, or local statutes. Veterans Services also cooperate and work in coordination with governmental units (Department of Defense, Social Security, County Department of Social Services and Health Department) in seeking to serve veterans.

Major Accomplishments

- Veterans Affairs (VA) expenditures (real dollars paid to veterans) in the county for FY 2008 totaled \$27,207,000 in the area of compensation & pension, readjustment & vocational rehabilitation, and insurance & indemnities. In addition, the VA Health Care provided medical care to veterans in 2008 amounted to \$11,146,000 indirectly. Total direct and indirect expenditures in Carteret County equal \$36,284,000 which equated to a 6.65% increase over FY 2007 VA in-county expenditures.
Note: ** These figures do not include the VA expenditures in Cape Carteret, Cedar Point, and Stella since they have an Onslow County zip code. *These statistics are forthcoming.
- In April 2007 the VA staff took over the daily operations of the Community Based Outpatient Clinic. Since that time the VA has expanded their services to include dental and eye care with future plans to include podiatry.
- Services expanded to include 2 vans for transportation of area veterans to the VA Medical Center in Durham.
- Fulfilled a pivotal role in the 14th Annual Carteret County Veterans Day parade and had over 2,000 participants in 2007.
- Participate on the Aging Council, the Military Affairs Committee (MAC) of the Chamber of Commerce, Carteret County Veterans Council, and the County Safety Committee.

Key Objectives

- Maintain efficiency and effectiveness as services and workloads increase without the need for additional staff.
- Institute formalized office training for all team members so they can achieve their potential. Crossing-training is an integral part of this comprehensive training.
- Streamline our internal office claims processing methodology and the tracking of VA claims through the VA system. We plan to maximize use of existing computer hardware/software and include VA available software.

Key Measures	FY08 Actual	FY 09 Estimated	FY 10 Target	Desired Level
Workload (Output)				
Number of veterans and/or dependents seen in office.	12,740	12,800	12,800	13,000
Number of claims generated in the office.	4,292	5,000	5,000	5,100
Number of telephone calls received/made.	19,742	20,000	20,000	20,400
Number of correspondence generated per day.	243	250	250	255
Efficiency				
Turn around time on claim work.	1 day	1 day	1 day	1 day

Expenditure Category	2007-2008	Amended 2008-2009	2009-2010	2009-2010	2009-2010	Percent
	Actual	Budget 12/31/08	Requested	Recommended	Board Approved	Change From FY 09/10
Personnel	220,200	263,136	265,454	260,912	257,412	
Operations	54,240	52,419	52,595	51,998	51,998	
Capital	-	40,504	-	-	-	
Total	274,439	356,059	318,049	312,910	309,410	-13.10%
Revenue Sources						
Intergovernmental	2,000	2,000	2,000	2,000	2,000	0.00%
Staffing						
Full-Time Positions	5	6	6	6	6	
FTE- Part Time Positions	-	-	-	-	-	
Numbers of Positions	5	6	6	6	6	0.00%

Education

***Carteret County Schools
Carteret Community College***

Support Letter from the Chairman of the Board of Education and Superintendent 2009-2010 Operating Budget Request

Each year the Carteret County Board of Education is charged with preparing an Operating and Capital Budget request to submit to our Carteret County Board of Commissioners. The requests in each of these documents reflect an investment in our students' futures and that of our county citizens. Our task is to ensure that our students and staff have a healthy and safe environment in which to learn and teach. In addition, we have been charged to make sure that our students have the skills necessary to be productive citizens in a global and competitive world. We take on this job with great enthusiasm and with input from all the stakeholders in the community that will be the beneficiaries of our efforts.

Carteret County Public School System's total funding for the 2007-2008 school year ranked our system as 42nd among the state's 115 public school system in per pupil expenditure. This is a drop in rank for 2006-2007 when it ranked 31st and 2005-2006 when it was 32nd. The 2007-2008 ranking includes federal, state, and local expenditures which totaled \$8,770 per student. Even though the actual per student expenditure went up by \$225 dollars, our ranking fell in all funding sources. Federal funds dropped from 76th in 2006-2007 to 86th in 2007-2008; state funds from 64th to 68th; and local funds from 9th to 12th. Despite a slip in rankings, Carteret County Schools continue to rank among the top in the state in achievement. Our students are competitive for national scholarships and are accepted at top ranked colleges and universities indicating that our taxpayers are getting an extremely good return on their investment. Our system continues to put the students in the classroom as the number one recipient of every dollar of revenue.

The budgets for 2009-2010 have been extremely challenging with the world economic downturn. Carteret County has not been immune to the loss of revenues and jobs seen across the nation. Our greatest obstacle is to balance the needs of the students with many funding sources undergoing massive changes. There have never been so many unanswered questions. We know that there will be cuts that will most certainly impact students but how deep those cuts must go is still a huge question. Our emphasis will remain to retain and recruit quality teachers and outstanding support staff and to the best of our ability keep up with making our classrooms 21st Century Learning Centers.

This section addresses the school system's 2009-2010 Operating Budget Request and we hope you will find the information presented in a clear and helpful manner. This year's proposed budget request of \$19,951,388 for the Carteret County School System. This represents a 0.02 % decrease from the 2008-2009 allocated operating budget. The increases represented in this budget are found in mandated cost increases in benefits and salaries as well as small inflationary increases.

Local funding has assisted this county in making many of the academic gains made in the past. We believe that this request of \$19,951,388 will reflect that we have carefully worked to balance the task we have been charged with the resources needed to get that accomplished.

Sincerely,

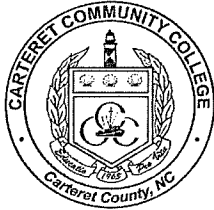
Catherine H. Neagle
Board Chairman

Jeanne D. Huntley
Interim Superintendent

Purpose of the Carteret County Board of Education

This department includes funds for locally supported public schools operational and capital outlay costs. Also, included are the local monies that support the county's two charter schools. Other local public school expenses can be found in the special school project fund and the debt service department. The previous pages include County School goals, performance measures, and program descriptions.

Expenditure Category	2007-2008	Amended 2008-2009	2009-2010	2009-2010	2009-2010	Percent
	Actual	Budget 12/31/08	Requested	Recommended	Board Approved	Change From FY 09/10
Current Expense	18,750,000	19,955,372	19,951,388	19,005,375	19,005,375	
Charter Schools	605,211	650,000	650,000	630,000	630,000	
Total	19,355,211	20,605,372	20,601,388	19,635,375	19,635,375	-4.71%
Revenue Sources						
Intergovernmental						
Forestry PILT	150,383	100,000	100,000	100,000	100,000	0.00%
Staffing						
Numbers of Positions	-	-	-	-	-	



Carteret Community College

"Education for Life"

**Fiscal 2009-2010 County Budget Request
Summary Narrative**

College Mission Statement

The mission of the college emphasizes a commitment to community leadership and quality education for life:

"Carteret Community College will be a leader in improving the quality of life for all citizens of Carteret County and Eastern North Carolina by offering opportunities for lifelong learning through high quality teaching, training, support, and enrichment."

Overview

The Carteret Community College Student is one person and thousands of people.

- He just finished high school
- She is returning to school after many years away
- He is employed while going to school
- She is working in the home, raising a family
- He is pursuing a degree
- She is refreshing skills through a few courses
- He will contribute to the Carteret County economy
- She will go far away to grow the global economy
- He will run a local company
- She will run for public office
- He will earn an AAS degree and start a career
- She will earn an AS degree and transfer to a university
- He will teach your children
- She will save your life

Carteret Community College (CCC) is part of the North Carolina Community College System (NCCCS) and is accredited by the Commission on Colleges of the Southern Association of Colleges and Schools. Since 1963, Carteret Community College has been helping students prepare for a changing workforce. From its earliest days as an Industrial Education Center, through its transformation as a technical college, and then to its accreditation as a Community College, the college has changed to meet the needs of a growing community. The current student body consists of more than 1,700

curriculum and 4,500 continuing education students, reflecting a rich diversity of age, income, ethnicity and educational background. Today, CCC offers a wide-range of educational, technical and vocational programs that prepare students for the skills needed to be competitive in our unique coastal economy.

Carteret Community College is an asset to the community, bringing in over \$15.5 million annually to the county to help students, employees, and local businesses throughout the area.

With more than 100 curriculum courses to choose from, students can pursue programs leading to a certificate, diploma, or associate degree. The programs of study include: Aquaculture Technology, Biotechnology, Basic Law Enforcement, Boat Manufacturing and Service, Business Administration, Business Administration E-Commerce, Construction Trades, Cosmetology, Criminal Justice, Early Childhood Associate/Teacher Associate, Electrical/Electronics, Emergency Medical/Paramedic, Esthetics, Fine Arts, Firefighter Training, Information Systems, Interior Design, Internet Technologies, Healthcare Management, Hotel and Restaurant Management, Marine Propulsion, Office Systems Technology, Paralegal Technology, Photographic Technology, Therapeutic Massage, Therapeutic Recreation, Welding, and a wide range of Health Science programs. Additionally, the college offers a variety of Corporate and Community Education courses to provide general education opportunities for upgrading job skills, gaining certification, and satisfying personal interests. These courses are offered on a continual basis, and include: several pre-licensing courses, computer skills training, desktop publishing, First Aid/CPR, and emergency medical technician certification.

Carteret Community College began 2009 focused on job training programs that range from construction and marine trades to business technologies and health care. Just as the college began 46 years ago with programs to train workers for the local job market, the same continues today with an emphasis on the changing needs of the business community.

Construction Trades

The number of people working in the construction trades industry in Carteret County had increased before the economic downturn of the past year. In 2005, approximately 1,620 people worked in construction trades in the county and by 2008, the Carteret County Employment Security Commission reported that there were 1,825 workers, or eight percent of the total workforce, involved in construction trades in Carteret County. The average construction trades salary is \$29,346 and that ranks above the county average for all occupations. Over the past couple of years, the college has worked with local construction company owners, employees, and others who work in the construction trades field to determine training needs and the input from the industry indicates a need for local training programs that produce trained employees ready for hire as well as professional development opportunities for current workers to upgrade their skills. While the number of county building permits for all projects has decreased over the past year by about 40 percent, qualified HVAC, electrical and plumbing workers continue to be in high demand as the service industry support existing homes and commercial buildings. The college's popular HVAC program now includes HVAC Level II and III training.

At Carteret Community College, renovation of space for construction and trades courses and programs will be completed this year. The college offers Carpentry, Welding, Drafting, Electrical, HVAC, Plumbing, Masonry, and other related skills training and the newly renovated space provides dedicated classroom and lab space for these programs. The Welding Shop was renovated last year and its lead instructor was recently approved to certify new welders under the guidelines of the American Welding Society. The college is currently working on an apprenticeship program to allow students both classroom and hands-on experience and students are encouraged to start their own businesses with the guidance and support of the college's entrepreneurship program.

Marine Trades

At the college's North Carolina Marine Training and Education Center (NCMARTEC), boat manufacturing, marine propulsion, and marine services are gearing up for a busy year. The college offers curriculum classes in outboard engines, marine diesel, electrical plumbing installation, boat manufacturing, yacht joinery, and other systems. Continuing education classes include fiberglass repair, electrical installation, marlinespike, and marina management. All boat manufacturing efforts are being directed toward the most modern technology available today and classes are available in the day and evening. The college is also working with East Carteret High School's Twilight Academy to provide boat manufacturing and service classes through the dual enrollment program.

Business Technologies

Business Administration, Computer Information Technology, Hotel and Restaurant Management, Medical Office Administration, Office Systems Technology, and Web Technology are all part of the Business Technologies Division at Carteret Community College. Students are being trained on the latest computer software and hardware and are being prepared for a variety of jobs within the county. Students can also connect to a network server that allows access to software taught at the college without the need to have the software installed on their individual computers; this gives the students access to a wide-range of software applications and saves them money. Students learn how to build, repair and maintain computers and their network components in the college's hardware lab and student who successfully complete the Networking courses are eligible to take the Net+ international certification which tells an employer they have the skills to manage a computer network. The college also offers training in speech recognition software.

Health Sciences

The college's Health Sciences programs continue to be some of the most popular and the seven programs include: Associate Degree in Nursing Program, Emergency Medical Science, Medical Assisting, Practical Nursing, Radiography (including a certificate in Sonography), Respiratory Therapy, and Therapeutic Massage. Jobs in health sciences are some of the best paying jobs in the county and graduates work in hospitals, clinics, physicians' offices, imaging centers, rehabilitation centers, and as independent contractors. As the county grows and the population gets older, health sciences will be in even greater demand in the future.

Culinary Technology

Culinary Technology now has two waiting lists: one list to keep track of people who want to sample the creations produced, and another list shows the people who want to get into the job training program. At latest count, Culinary Technology is bursting at the seams with 50 students, and many students are finding culinary jobs even before they graduate. The Culinary program has wide-support from the Carteret restaurant community. Seven local chefs are teaching part-time and donate a lot of free time to helping with the students. Students in the program learn how to prepare and present top-of-the-line culinary creations worthy of the best restaurants and graduates of the program are running their own kitchens.

Small Business Support

Carteret Community College's Small Business Center, originally founded in 1984, provides free one-on-one confidential counseling, workshop/seminars, technical assistance and other services to support the growth of small businesses in Carteret County. The center is funded through a special allocation by the state legislature and administered through the North Carolina Community College System. All 58 community college have a Small Business Center. The funding allows the center to provide many free services, including workshops and seminars. The center hires nationally-known experts to provide training in a wide-range of areas, including: business plan development, taxes, budgeting, management/supervision, team building, personnel, policy and procedure development, and advertising/marketing. The center also has a resource library of books, DVDs, and other materials specific to the needs of small business and public access computers for use by those needing to do research, write their business plan or work on budgets. The Small Business Center has a very close working relationship with the Carteret County Chamber of Commerce, Carteret County Economic Development Council, and Coastal Carolina SCORE. Several years ago, the group formed the Carteret County Small Business Resource Alliance, solidifying and strengthening services for small businesses.

Career Counseling and Assessment

The college has a career and academic planning service center (CAPS) for students and prospective students to match their career interests with certain programs of study at the college. CAPS assists all first-term students with course scheduling and strive to make a first-time student's experience at the college positive and to ensure student success.

University Transfer Programs

The university transfer curriculum is one of the most popular programs, and enables students to obtain an associate in arts or associate in science degree and transfer to a four-year university. Almost 30 percent of students enrolled in curriculum programs are in the University Transfer program. A certain percentage of jobs require a four-year degree and the university transfer program provides an affordable option for students to remain in the county for the first two years of the four-year program.

The philosophy of Carteret Community College is based on the pursuit of excellence. During times of economic slowdown and uncertainty, the college's mission and the vision shared by each college employee that the college will continue to be an excellent resource for workforce development and quality of life for Carteret County citizens, has never been more necessary or more relevant. This community-centered vision includes striving to be an excellent learning college, an excellent place to work, and **an excellent steward of the public trust**. From providing the most basic education and training for hundreds of citizens each year to helping people carve out new careers with freshly learned high-tech skills, Carteret Community College is committed to excellence, to life-long learning, and to **workforce development**. With its open-door policy, low cost, broad curriculum and corporate and community education programs, the college is making a positive difference in the lives of the people who use its services.

Performance Measures

Each year, the North Carolina Community College System collects performance data from all of the 58 North Carolina community colleges. The system has established a *State standard* for each performance measure and the community colleges strive to meet or exceed the established standard. Data derived from the collection of performance measurement data help the colleges assess their effectiveness in the 12 measured areas and provide colleges with comparative data to measure their performance against the other community colleges. The Performance Measures and Standards data for CCC for the academic year 2006-2007 are presented in Table 1 below.

Table 1 – Carteret Community College 2006-2007 Performance Measures Data

Measure	Standard	CCC	Met Standard	# Colleges Achieving	System Averages
1) Progress of Basic Skills Students	75%	77%	Yes	55	80%
2) Performance of College Transfer Students	83%	85%	Yes	37	84%
For Exceptional Status	GPA \geq 2.0 87%		No	22	
3) Passing Rates for Licensure and Certification Exams	GPA \geq 2.0 80% agg.	78%	No	33	83%
For Exceptional Status	no exam <70%	1	No	24	
4) Passing Rates of Students in Developmental Courses	75%	90%	Yes	43*	81%
5) Success Rate of Developmental Students in Subsequent College-Level Courses	80%	95%	Yes	48*	88%
6) Student Satisfaction – Completers and Non-Completers	90%	99%	Yes	56	97%
7) Curriculum Student Retention, Graduation & Transfer	65%	67%	Yes	50	68%
8) Business/Industry Satisfaction with Services Provided	90%	91%	Yes	58	94%

Data Source: 2008 Critical Success Factors for the North Carolina Community College System

Accomplishments in Fiscal 2008-2009

- Counseled 144 new or existing small business clients
- Helped 32 small business workshops with a total of 333 participants
- Re-certified more than 500 Law Enforcement Officers
- Trained 52 students in Pharmacy Technician
- Certified 22 students in Phlebotomy Technician
- Certified 256 students as Certified Nurse Assistants
- Served more than 928 students through our Basic Skills programs
- Graduated a total of 196 students in the Adult High School and General Educational Development (GED) programs
- Certified more than 72 local service station employees on use of new Emissions Inspections using Emissions Testing Booth
- Held one of three statewide Wastewater Certification Conferences that brought more than 524 students to the county and accounted for more than \$120,100 in spending in the county during the conference
- Coordinated more than \$4.3 million in financial aid for local students with 969 students awarded financial aid
- Held 4th annual week-long Youth Entrepreneurship Camp on campus with 20 middle school participants
- Held Camp 911, a Fire/EMS/Police based camp for sixteen 11-13 year olds
- Provided online training to 20 teachers to maintain their certification
- Added a new EKG program and trained 16 EKG students to be EKG Technicians

- 10 students completed and received certificates from the ESL Family Literacy class, a partnership with Carteret County Schools
- Held first Heritage Entrepreneurship Camp at Core Sound Waterfowl Museum introduced youth to entrepreneurship as a way of preserving local heritage and customs while creating job opportunity (There were 15 participants)
- Added a new Program: Marina Management
- Establish certified welding testing program
- Complete Paralegal Program Review and first year follow-up
- Participated in statewide Early Childhood Curriculum Improvement Project that resulted in the elimination of the Early Childhood Teacher Associate Program and the creation of the new School-Age Associate program designed to better serve the needs of the public schools and after-school facilities
- Eighty-two percent pass rate for BLET students in July 2008 exam
- The Carteret Community College Foundation has provided \$187,184 in cash support for the college so far this year and was the beneficiary of an annuity from the late Mrs. Geraldine Beveridge which endows scholarships from graduates of East Carteret Community College who will attend Carteret Community College in perpetuity
- Foundation Executive Director and College Vice President for College Advancement Louise Mathews was named BB&T Community College Staff Person of the Year by the North Carolina Community College System
- The Foundation initiated a Spanish Mackerel Family Fishing Tournament to involve friends, alumni, and supporters in the community

Key Issues for Fiscal Year 2009-2010

- Managing instructional programs and support services for rising enrollments (almost 5% in 2008-2009) during declining economic conditions
- Reaccreditation by Southern Association of Colleges and Schools including Quality Enhancement Plan and compliance review
- Space needs for new programs
- Public safety training facility to train local fire, EMS, and law enforcement personnel
- Costs to maintain health science programs including Associate Degree Nursing, License Practical Nursing, Radiography, Respiratory Therapy, and Sonography
- Adequate space to house a small business incubator to enhance the services available to meet the county's growing entrepreneurial activity
- Maintaining attractiveness of campus with increased growth and activities (Each year more than 10,000 members of the public visit Carteret Community College for events held on campus.)

Issues on the Horizon

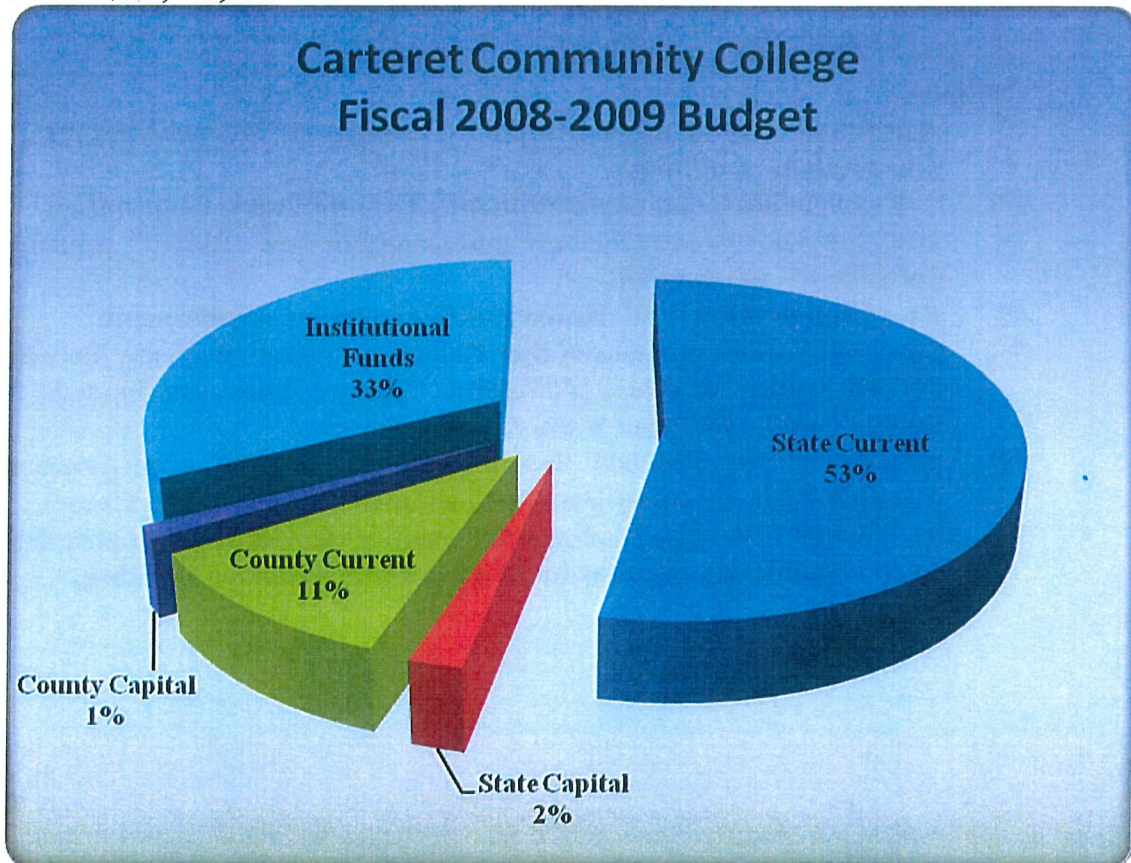
- Changes in curriculum programs to meet needs of growing workforce in Carteret County – we can expand health sciences, business technologies, construction technologies and marine trades
- Increase access to education, especially Down East

Carteret Community College is an *Economic Driver* funded, in part, by Carteret County.

Budget Summary

The College receives revenues from several sources including State and County appropriations, State and Federal student aid, auxiliary enterprises, State, Federal, and Local contracts and grants, and gifts. In Fiscal 2008-2009, the college began the year with a budget of **\$18,845,038**. The State current fund appropriation was **\$9,999,930** and the State capital appropriation was **\$406,773**. Institutional fund appropriations including grants, financial aid, and auxiliary enterprises totaled **\$6.1 million**. The County appropriation totaled **\$2,311,000** with **\$2,086,000** in current operating funds and **\$225,000** in capital funds. The pie chart below shows the percentage split of Institutional, County, and State funding for the college's **\$18.85 million** budget.

2008-2009 Carteret Community College Operating Budget
Total: \$ 18,845,038



Carteret Community College proposes a County budget of **\$2,315,220** for 2009-2010 that allocates **\$2,090,220** for *current operating* expenses and **\$225,000** for *capital outlay* expenses. This represents an increase of *0.18%* in overall funding and *0.20%* in current operating funds. The college recognizes the difficult economic conditions facing our county, our state, and our nation, and in response, held its funding request level, requesting only the funds necessary to meet the mandated increase in health insurance and retirement benefits imposed by the state legislature. Table 2 below shows a comparison of County budget appropriations for Fiscal 1998-1999 through the proposed Fiscal 2009-2010 budget.

Table 2 – Carteret Community College County Budget Comparison

Fiscal Year	Current Operating	County Capital Appropriation	Additional County Capital	Total
1998-1999	\$ 881,260	\$ 210,000	\$ 61,811 ¹	\$ 1,153,071
1999-2000	\$ 969,554	\$ 210,000	\$ 46,548 ²	\$ 1,226,102
2000-2001 ⁵	\$ 1,166,370	\$ 210,000	\$ 207,375 ³	\$ 1,583,745
2001-2002	\$ 1,224,688	\$ 210,000		\$ 1,434,688
2002-2003	\$ 1,220,000	\$ 50,000 ⁴		\$ 1,270,000
2003-2004	\$ 1,220,000	\$ 200,200		\$ 1,420,200
2004-2005	\$ 1,658,850	\$ 83,300		\$ 1,742,150
2005-2006	\$ 1,700,000	\$ 140,000 ⁶		\$ 1,840,000
2006-2007	\$ 1,869,500	\$ 231,388		\$ 2,100,888
2007-2008	\$ 1,992,785	\$ 197,240	\$ 1,700,000 ⁷	\$ 3,890,025
2008-2009	\$ 2,086,000	\$ 225,000		\$ 2,311,000
Proposed 2009-2010	\$ 2,090,220	\$ 225,000		\$ 2,315,220

Footnotes:

- 1: Additional Capital appropriation to waterproof Michael J. Smith Library/LRC Building.**
- 2: Carryover funds and completion of LRC building waterproofing.**
- 3: \$102,000 carried over for new phone system and \$105,375 appropriated for CMAST parking lot.**
- 4: To complete Phase I of McGee Building window replacement.**
- 5: Carteret County purchased the Historical Society property for \$550,000 for the College in Fiscal 2000-2001. The purchase was financed by the county and turned over to the College this year.**
- 6: \$20,000 of the \$140,000 Fiscal 2005-2006 capital appropriation was mandated for use to replace the doors at the County Civic Center.**
- 7: \$1,700,000 Financing Package for construction of Maintenance Building and capital improvements for McGee Administration Building.**

Purpose of the Carteret Community College

This department includes funds for community college operational and capital outlay costs. The previous pages included Community College goals, performance measures, and program descriptions.

Expenditure Category	2007-2008	Amended 2008-2009	2009-2010	2009-2010	2009-2010	Percent
	Actual	Budget 12/31/08	Requested	Recommended	Board Approved	Change From FY 09/10
Current Expense	1,992,785	2,086,000	2,090,220	2,025,000	2,025,000	
Capital Outlay	208,443	233,751	225,000	225,000	225,000	
Total	2,201,228	2,319,751	2,315,220	2,250,000	2,250,000	-3.01%
Revenue Sources	-	-	-	-	-	0.00%
Staffing Numbers of Positions	-	-	-	-	-	

Culture and Recreation

***Senior Center
Library
Parks & Recreation
Civic Center***

Senior Center Department

Culture and Recreation

Purpose: To enhance the health, safety, and quality of life of Carteret County’s “over 50” population by promoting and operating a multi-purpose senior enrichment center that offers a wide range of activities and services.

Major Accomplishments

- Replaced fitness equipment with machines designed specifically for seniors and high volume usage.
- Seniors are more familiar with the computer tracking system that records facility utilization; therefore, the senior center is gathering more accurate data.
- Increased health seminars and meaningful events to educate citizens.
- Improved staff utilization by cross training and diversifying duties.

Key Objectives

- Purchase and install security camera in the fitness room for safety of seniors.
- Improve presentation of grounds by landscaping the front of the Center.
- Implement afternoon “sock-hops” as an additional health and movement activity.

Key Measures	FY08 Actual	FY 09 Estimated	FY 10 Target	Desired Level
<i>Workload (Output)</i>				
Registered seniors in computer system	431	1,168	1,250	1,400
<i>Efficiency</i>				
Senior events registered for through computer system	2,175	23,006	23,050	
<i>Effectiveness</i>				
% of registered senior population served as indicated by computer system	25%	70%	80%	90%

Expenditure Category	2007-2008	Amended	2009-2010	2009-2010	2009-2010	Percent
	Actual	Budget				
		12/31/08			Approved	FY 09/10
Personnel	111,851	113,201	101,590	100,467	99,367	
Operations	180,538	128,170	97,648	97,648	103,648	
Capital Outlay	-	-	-	-	-	
Total	292,389	241,371	199,238	198,115	203,015	-15.89%
Revenue Sources						
Fees	5,215	23,722	12,500	12,500	15,500	-34.66%
Staffing						
Full Time Positions	2.00	2.00	1.92	1.92	1.92	
Part time as FTE	0.50	0.61	0.25	0.25	0.25	
Number of Positions	2.50	2.61	2.17	2.17	2.17	-16.86%

Tri-County Library System

Purpose of the Library System

To acquire, organize, and provide ready access to a variety of resources and services that help fulfill the informational, educational, and recreational needs of the citizens of Carteret County. Funding is provided for staff, operations, and capital outlay for the four public libraries in Carteret County. The County appropriates funds to the Craven-Pamlico-Carteret Regional Library, and then the system disburses funds to each of the four libraries (<http://carteret.cplib.org>).

Major Accomplishments

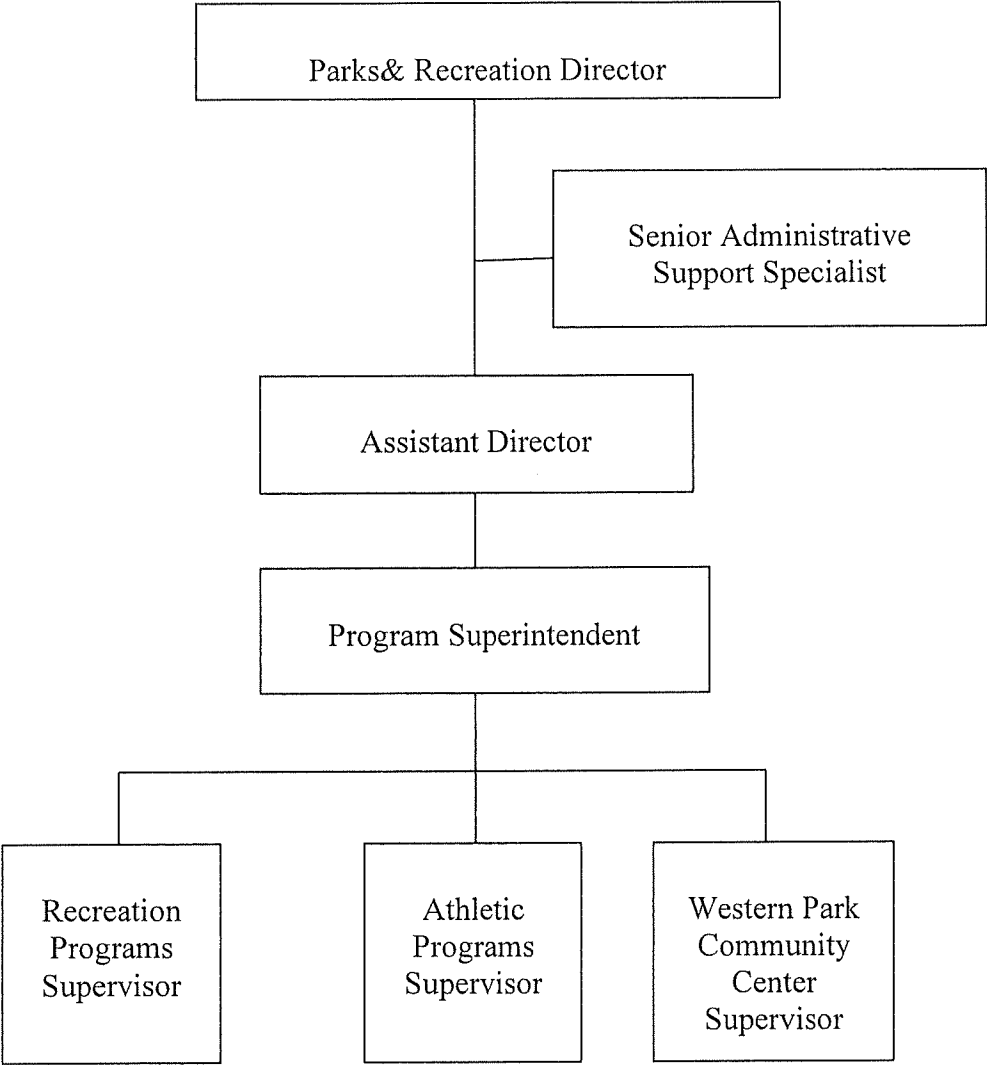
- Completed and published the Burgin Study on “Carteret County: Strategic Plan for Public Library Facilities 2008-2030”.
- Improved public access to personal computing and online resources with increased bandwidth at three public libraries.
- Completed the first phase of Opportunity Online Hardware Grants from the Bill & Melinda Gates Foundation.
- All public libraries in Carteret, Pamlico, and Craven counties organized and conducted a region wide reading program featuring “Rocket Boys” by Homer Hickham.

Key Objectives

- Relocate the Carteret County Public Library to space at Beaufort Square, almost doubling the square footage.
- Complete phase two of the Opportunity Online Hardware Grants from the Bill & Melinda Gates Foundation.
- Address the seasonal staffing needs at the Bogue Banks Public Library.
- Continue to offer the people of Carteret County the very best in public library services.

Expenditure Category	2007-2008	Amended 2008-2009	2009-2010	2009-2010	2009-2010	Percent
	Actual	Budget 12/31/08	Requested	Recommended	Board Approved	Change From FY 09/10
Tri-County Library System	879,554	910,000	1,049,838	878,000	943,345	
MHC Webb Library	55,000	55,000	55,000	-	53,075	
Down East Library	15,000	15,000	180,000	-	14,475	
Total	949,554	980,000	1,284,838	878,000	1,010,895	3.15%
Revenue Sources	-	-	-	-	-	0.00%
Staffing						
Numbers of Positions	-	-	-	-	-	0.00%

*Parks & Recreation
Organization Chart*



Parks and Recreation Department

Culture and Recreation

Purpose: To provide all citizens of Carteret County the opportunity to participate in leisure activities. To provide a safe and pleasant environment that fosters socialization, education, and recreation. To maintain and operate safe, attractive parks and recreational areas, athletic fields and equipment, and to support the facilities for use by Carteret County citizens.

Major Accomplishments

- Awarded \$500,000 Parks and Recreation Trust Fund (PARTF) grant for development of Newport Park and worked with County Engineer to begin construction of park facilities.
- Worked with County Engineer and NC Wildlife Resources Commission to complete construction of new boat ramps, kayak and canoe ramp, picnic shelter and renovation of bathrooms, and parking and entrance at West Beaufort Water Access Park.
- Replaced athletic field lights at Eastern Park.
- Completed Newport Park/Newport Middle School fitness trail construction in partnership with Carteret County Health Department and Eat Smart, Move More North Carolina.
- Introduced new Special Olympics program, young athletes program, for ages 2 to 7.
- Increased participation in Camp Sunshine and adult sports.
- Increased the number of certified Special Olympics coaches.
- Increased the number of races in the annual beach run series.
- Constructed new dugouts and bullpens at Swinson Park.

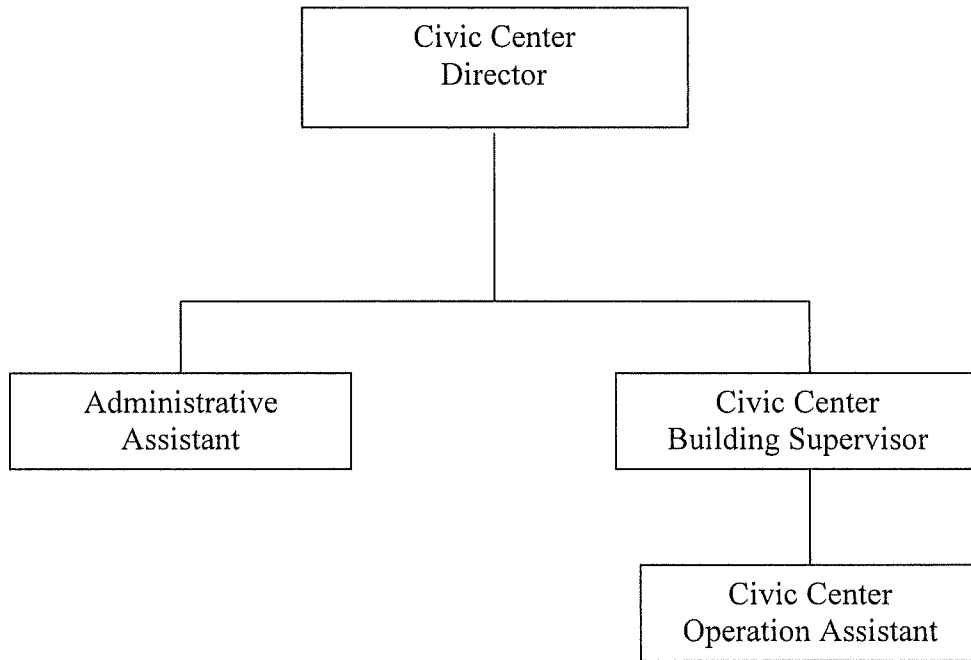
Key Objectives

- Construct new restrooms and parking at Western Park.
- To increase the number of weeks of Camp Sunshine from 2 to 3 weeks.
- Investigate partnership with Seashore Soccer League for adult soccer program.
- Begin planning for additional reservations, athletic league usage, and tennis activities at Newport Park and Newport Middle School.
- Develop maintenance plan for Newport Park and Newport Middle School athletic fields.
- Establish annual schedule for athletic field closing for turf and field maintenance.
- Establish disc golf course at Swinson Park.
- Erect new side and outfield fencing at Eastern and Swinson Parks.

Key Measures	FY08 Actual	FY 09 Estimated	FY 10 Target	Desired Level
<i>Workload (Output)</i>				
Program Division – number of hours in planning	1,590	2,500	3,000	3,000
Athletics Division – number of hours in planning	2,304	2,364	3,079	3,079
Grass Mowing Hours – Maintenance	3,558	3,950	4,300	4,300
Maintenance of Structure/Equipment Hours – Maintenance	6,639	7,792	7,950	7,800
Field Preparation Hours – Maintenance	5,385	6,492	6,950	6,750
Bleacher Moving Hours – Maintenance	96	100	105	120
Vandalism Repair Hours – Maintenance	10	20	25	0
Department Working Hours – Maintenance	24,565	26,017	31,249	31,249
<i>Efficiency</i>				
Programs/co-sponsored programs – Programs Division	20	20	21	22
Programs conducted in shared facility – Programs Division	19	19	20	20
Programs/co-sponsored programs –Athletics Division	7/2	7/2	7/2	7/2
Programs conducted in shared facility – Athletics Divisions	2	2	2	2
Number of Reserved Fields/Facilities	5,013	5,447	5,560	5,600
<i>Effectiveness</i>				
Program participants’ satisfaction percentage	96%	97%	99%	100%
Athletics’ satisfaction percentage	98%	98%	99%	100%
Number of Scheduled Park Users	352,393	402,567	505,700	600,000

	2007-2008 Actual	Amended 2008-2009 Budget 12/31/08	2009-2010 Requested	2009-2010 Recommended	2009-2010 Board Approved	Percent Change From FY 09/10
Expenditure Category						
Parks & Recreation Programs						
Personnel	361,440	384,152	354,540	375,115	371,875	
Operations	257,171	302,231	216,297	223,560	237,305	
Town Contribution	63,454	70,000	-	-	-	
Total	682,064	756,383	570,837	598,675	609,180	-19.46%
Parks & Recreation Maintenance						
Personnel	404,510	450,923	461,392	378,410	371,410	
Operations	229,592	230,442	266,298	214,400	214,400	
Capital Outlay	89,469	-	-	-	-	
Total	723,571	681,365	727,690	592,810	585,810	-14.02%
Revenue Sources						
Fees	27,583	22,000	28,800	28,800	28,800	
Total	27,583	22,000	28,800	28,800	28,800	30.91%
Staffing						
Full time positions	16.00	15.00	15.00	15.00	15.00	
Part time as FTE	6.08	6.32	9.10	9.10	9.10	
Number of Positions	22.08	21.32	24.10	24.10	24.10	20.12%

*Civic Center
Organizational Chart*



Crystal Coast Civic Center

Cultural and Recreation

Purpose: The Civic Center’s purpose is to provide a professional facility for public, private, and commercial use, which enhances the economic climate of Carteret County. Its flexible design is to attract groups for meetings, small and large; conventions, consumer shows locally and regionally, public forums, weddings, banquets, educational seminars/workshops, graduations, major fund raising events and concerts. It continues to make a significant contribution to the vitality and economic welfare of the County by attracting groups and giving local businesses the opportunity to earn revenue from these clients i.e. restaurants, hotels, caterers, rental stores, retail, etc. The Civic Center is the only building in the County that can host up to 1500 people at one time.

Major Accomplishments

- Recreated the Holiday Gift Show generating \$10,643.
- Revised rental rates to reflect a per square footage rate for comparative purposes.
- Initiated client surveys to determine geographic reach and establish a better database.
- Increased hospitality and revenue by offering to provide and set-up snacks to rental groups during breaks.
- Enhanced the Civic Center entrance by improving landscaping.

Key Objectives

- Add wireless connectivity to the main building independent of the college.
- Develop a marketing strategy to attract mid week meetings/conferences.
- Add summer entertainment for tourism business.

Key Measures		FY08 Actual	FY 09 Estimated	FY 10 Target	Desired Level
<i>Workload (Output)</i>					
Events		210	165	200	240
Event Days		259	230	230	275
Holiday Gift Show	Attendees	750	850	900	1,000
	Vendors	50	55	60	70
Home & Garden Show	Attendees	1,975	2,000	3,000	3,000
	Vendors	60	54	69	70

Expenditure Category	2007-2008	Amended 2008-2009	2009-2010	2009-2010	2009-2010	Percent Change From FY 09/10
	Actual	Budget 12/31/08	Requested	Recommended	Board Approved	
Personnel	181,509	186,290	194,818	191,790	189,460	
Operations	184,188	181,650	163,500	156,500	156,500	
Total	365,697	367,940	358,318	348,290	345,960	-5.97%

Revenue Sources	2007-2008	Amended 2008-2009	2009-2010	2009-2010	2009-2010	Percent Change From FY 09/10
	Actual	Budget 12/31/08	Requested	Recommended	Board Approved	
Fees	190,385	171,000	172,520	172,520	172,520	0.89%

Staffing	2007-2008	Amended 2008-2009	2009-2010	2009-2010	2009-2010	Percent Change From FY 09/10
	Actual	Budget 12/31/08	Requested	Recommended	Board Approved	
Full Time Positions	4	4	4	4	4	
FTE-Part Time Positions	0.32	0.24	0.30	0.30	0.30	
Numbers of Positions	4.32	4.24	4.30	4.30	4.30	1.42%

Non Departmental

*Debt Service
Transfers to Other Funds
Contingency*

Debt Service

Purpose of the Debt Service Department

This department is used to account for all principal and interest payments on the outstanding debt of the County. This department includes all the payments on general obligation bonds, and certificates of participation. Per NC General Statute, a certain percentage of sales tax must be used for Schools capital improvements or retirement of capital debt. The County elects to use the proceeds as retirement of capital debt. On November 8, 2005, the voters approved a \$50 million school referendum. The County anticipates issuing the final \$9.71 million in late 2009 or early 2010, and begin making debt payments in fiscal year 2010-2011.

Expenditure Category	2007-2008 Actual	Amended 2008-2009 Budget 12/31/08	2009-2010 Requested	2009-2010 Recommended	2009-2010 Board Approved	Percent Change From FY 09/10
Bond Service Charges	8,179	25,000	25,000	25,000	25,000	
2004 GO Refunding Principal	1,920,000	1,880,000	1,840,000	1,840,000	1,840,000	
2004 GO Refunding Interest	661,148	605,000	550,000	550,000	550,000	
CCC GO Bond Principal	400,000	400,000	400,000	400,000	400,000	
CCC GO Bond Interest	295,000	283,000	267,000	267,000	267,000	
2006 GO Series School Principal	650,000	650,000	650,000	650,000	650,000	
2006 GO Series School Interest	966,563	943,000	915,000	915,000	915,000	
2007 Go Series School Principal	700,000	700,000	700,000	700,000	700,000	
2007 Go Series School Interest	763,775	735,000	703,000	703,000	703,000	
2000 COPS School Principal	725,000	725,000	725,000	725,000	725,000	
2000 COPS School Interest	508,044	475,000	435,000	435,000	51,000	
2002 COPS Principal	585,000	585,000	585,000	585,000	585,000	
2002 COPS Interest	302,984	286,000	266,000	266,000	266,000	
Health Center Renovations Principal	300,000	300,000	300,000	300,000	300,000	
Health Center Renovations Interest	62,850	51,000	38,000	38,000	11,000	
Schools Technology Principal	400,000	400,000	400,000	400,000	400,000	
Schools Technology Interest	-	72,000	53,500	53,500	53,500	
Community College Principal	242,857	243,000	243,000	243,000	243,000	
Community College Interest	-	63,000	52,000	52,000	52,000	
Installment EMS Technology Prin.	-	35,000	37,000	37,000	20,000	
Installment EMS Technology Int	-	6,000	4,000	4,000	1,000	
2009 Installment County Projects P	-	-	145,000	145,000	-	
2009 Installment 2000 COPS Prin.	-	-	-	-	240,000	
2009 Installment 2000 COPS Int.	-	-	-	-	336,000	
QZAB Schools Principal: NES	-	-	115,000	115,000	115,000	
QZAB Schools Principal: MES	-	112,000	112,000	112,000	112,000	
Total Principal	5,922,857	6,030,000	6,252,000	6,252,000	6,330,000	
Total Interest	3,568,543	3,544,000	3,308,500	3,308,500	3,230,500	
Total Debt Service	9,491,400	9,574,000	9,560,500	9,560,500	9,560,500	-0.14%

Non-Departmental

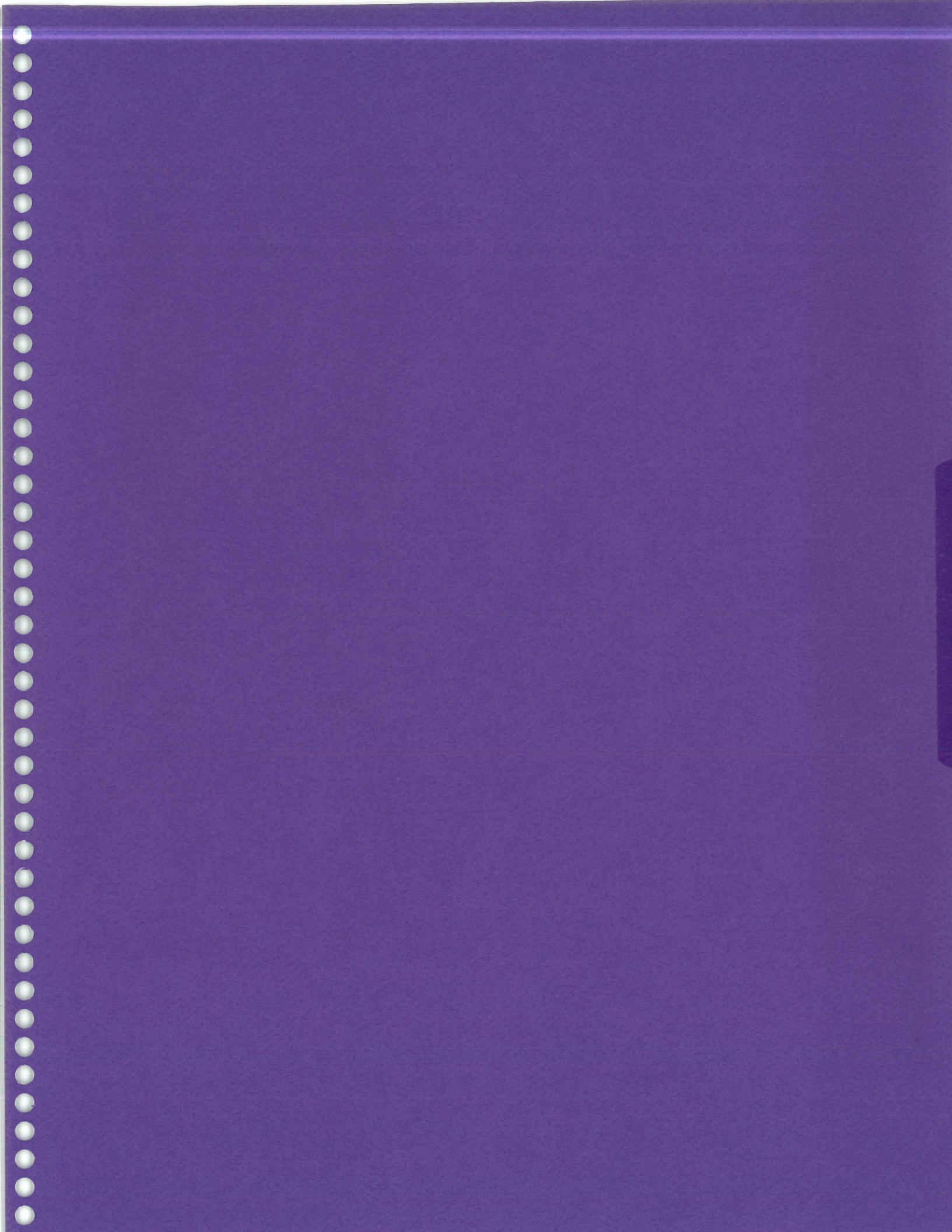
Purpose of the Non-Departmental

Transfer to Other Funds – Funds are transferred from the General Fund to special revenue funds or capital project funds to offset operating expenditures of a particular project.

Contingency – These funds are intended for anticipated expenditures, since it is impossible to anticipate in June all the needs of the County during the fiscal year. A contingency appropriation is limited by law to 5 percent of the total appropriation in a particular field.

	2007-2008 Actual	Amended 2008-2009 Budget 12/31/08	2009-2010 Requested	2009-2010 Recommended	2009-2010 Board Approved	Percent Change From FY 09/10
Expenditure Category						
<i>Transfer To:</i>						
School Capital Projects Fund	2,508,000	2,215,000	2,030,000	2,030,000	990,800	
Capital Improvements Fund	2,588,989	530,000	100,000	100,000	100,000	
Water Fund	278,000	218,000	170,000	170,000	170,000	
<i>Contingency:</i>						
County Contingency	-	63,125	170,000	170,000	639,180	
Reclassification State Salaries	-	45,000	-	-	-	
Reclassification State Fringes	-	7,950	-	-	-	
Merit Local Salaries	-	49,901	300,000	280,000	280,000	
Merit Local Fringes	-	9,553	65,000	55,000	55,000	
Merit State Salaries	-	40,442	130,000	130,000	130,000	
Merit State Fringes	-	7,196	30,000	30,000	30,000	
Workers Compensation and Insurance	-	14,144	360,000	310,000	170,000	
Unemployment	-	22,855	30,000	30,000	30,000	
Fuel	-	80,000	80,000	100,000	100,000	
Vehicle	-	24,300	170,000	20,000	20,000	
County Schools Contingency	-	179,628	-	-	-	
Occupancy Tax	-	1,586,730	1,581,240	1,580,280	1,580,280	
Total Transfers	5,374,989	2,963,000	2,300,000	2,300,000	1,260,800	
Total Contingency	-	2,130,824	2,916,240	2,705,280	3,034,460	
Total Non Departmental	5,374,989	5,093,824	5,216,240	5,005,280	4,295,260	-15.68%

Revenue Sources						
Other Taxes	1,756,074	1,124,657	1,511,730	1,511,730	1,586,730	
Intergovernmental	-	170,765	194,150	194,150	194,150	
Total Revenue	1,756,074	1,295,422	1,705,880	1,705,880	1,780,880	31.69%





Other Funds

Special Revenue Funds

E-911

Salter Path Special Tax District

Rescue Special Tax District

Fire Special Tax District

Occupancy Tax

Capital Funds

County Capital Improvements

County Capital Reserve

School Capital Projects

Enterprise Fund

Water Fund

E-911 Fund

Public Safety

Purpose: The E-911 Fund is a special fund used to operate and maintain the Carteret County E-911 system. The Carteret County E-911 system includes dispatch centers in Morehead City, Atlantic Beach, Emerald Isle, and the Carteret County Sheriff's Office. Revenues for the E-911 Fund are remitted from the State. The State set a maximum amount of 70 cents per telephone line that can be assessed. These assessed surcharges are remitted to the State by the telephone provider. Prior to FY 07, the County's surcharge was 85 cents per telephone line.

Major Accomplishments

- Continued successful maintenance of Geographic Information System (GIS) centerline files, data sharing, Master Street Addressing Guide (MSAG), Emergency Service Number (ESN), and Computer Aided Dispatch (CAD).
- Provided support to all 23 fire departments and 16 EMS providers through addresses and maps.
- Implemented process for Consolidated 911 Center.

Key Objectives

- Continue support to Fire/EMS departments with updated maps and road index.
- Continue citizen support with address situations.
- Continue to implement Consolidated 911 center and begin emergency medical dispatch (EMD) training.
- Continue support to planning department by attending technical review meetings and discussing subdivision road names and possible address discrepancies.

Key Measures	FY08 Actual	FY 09 Estimated	FY 10 Target	Desired Level
<i>Workload (Output)</i>				
Roads mapped and added to GIS	45	35	50	50
Customer contact with address questions/name changes etc.	250	350	350	350
Specialty maps printed	75	200	250	250

Expenditure Category	2007-2008	Amended 2008-2009	2009-2010	2009-2010	2009-2010	Percent Change From
	Actual	Budget 12/31/08	Requested	Recommended	Board Approved	FY 09/10
Personnel	49,710	58,925	-	-	-	
Operations	224,313	320,600	380,000	380,000	380,000	
Capital Outlay	131,414	75,000	-	-	-	
Total	405,436	454,525	380,000	380,000	380,000	-16.40%

Revenue Sources	2007-2008	Amended 2008-2009	2009-2010	2009-2010	2009-2010	Percent Change From
	Actual	Budget 12/31/08	Requested	Recommended	Board Approved	FY 09/10
Surcharges	183,053	289,525	-	-	-	
Wireless/Wireline	306,865	160,000	380,000	380,000	380,000	
Interest	41,050	5,000	-	-	-	
Total	530,968	454,525	380,000	380,000	380,000	-16.40%

Staffing	2007-2008	Amended 2008-2009	2009-2010	2009-2010	2009-2010	Percent Change From
	Actual	Budget 12/31/08	Requested	Recommended	Board Approved	FY 09/10
Numbers of Positions	1	1	-	-	-	-100.00%

Salter Path Special Tax**Special Revenue Fund**

Purpose: This fund is used to account for the special district tax assessed on ocean front property owners for beach nourishment. No special district tax is levied this fiscal year. This special district tax sunset in fiscal year 2009. In 2009, the County's commitment to Indian Beach for the beach nourishment project is fulfilled, and therefore, no funds are budgeted fiscal year 2010.

Expenditure Category	2007-2008	Amended 2008-2009	2009-2010	2009-2010	2009-2010	Percent
	Actual	Budget 12/31/08	Requested	Recommended	Board Approved	Change From FY 09/10
Contribution to Indian Beach	20,525	20,525	-	-	-	
Total	20,525	20,525	-	-	-	-100.00%
Revenue Sources						
Ad Valorem Tax	131	-	-	-	-	
Intergovernmental - Sales Tax	8,038	-	-	-	-	
Interest	1,131	-	-	-	-	
Fund Balance	-	20,525	-	-	-	
Total	9,300	20,525	-	-	-	-100.00%

Rescue Squad Districts Fund

Special Revenue Fund

Purpose: This fund is used to account for the special rescue tax assessed on rural areas of the County and subsequent distributions of the tax to the various rescue squads each month. Also, accounted for in this fund is the sales tax collections for each rescue squad taxing district and the distribution of those taxes to each rescue squad in the month after they are received by the County.

Note: Western Carteret's \$412,000 distribution is held in reserve until the Fire and EMS Commission and the Board of Commissioners approve the district's budget.

	2007-2008 Actual	Amended 2008-2009 Budget 12/31/08	2009-2010 Requested	2009-2010 Recommended	2009-2010 Board Approved	Percent Change From FY 09/10
Expenditure Category						
Beaufort	400,650	640,140		668,000	768,296	
Broad and Gales Creek	300,396	140,115		305,000	298,650	
Mill Creek	44,776	80,920		81,000	75,040	
Morehead City	136,992	226,000		226,000	219,628	
Otway	150,156	161,500	280,957	161,625	175,746	
Sea Level	353,340	363,335	365,100	365,100	364,800	
Western Carteret	438,300	438,300	486,725	463,860	-	
District Reserves	-	220,270	-	-	447,920	
Local Option Sales Tax	679,880	670,300	312,500	524,000	526,000	
Total	<u>2,504,490</u>	<u>2,940,880</u>	<u>1,445,282</u>	<u>2,794,585</u>	<u>2,876,080</u>	<u>-2.20%</u>

Revenue Sources

Ad Valorem Taxes	1,980,814	2,270,580	1,132,782	2,270,585	2,337,850	
Local Option Sales Tax	756,539	670,300	312,500	524,000	526,000	
Interest	13,539	-	-	-	-	
Appropriated Fund Balance	-	-	-	-	12,230	
Total	<u>2,750,892</u>	<u>2,940,880</u>	<u>1,445,282</u>	<u>2,794,585</u>	<u>2,876,080</u>	<u>-2.20%</u>

Fire Districts Fund

Special Revenue Fund

Purpose: This fund is used to account for and distribute the special fire tax assessed in the County.

Note: Western Carteret's \$462,000 distribution is held in reserve until the Fire and EMS Commission and the Board of Commissioners approve the district's budget.

	2007-2008 Actual	Amended 2008-2009 Budget 12/31/08	2009-2010 Requested	2009-2010 Recommended	2009-2010 Board Approved	Percent Change From FY 09/10
Expenditure Category						
Atlantic	82,640	81,365	84,070	83,335	77,070	
Beaufort	196,596	216,455		237,035	236,968	
Broad and Gales Creek	377,700	207,375	403,268	392,375	202,018	
Cedar Island	48,240	52,100	53,635	52,100	50,635	
Davis	77,904	77,300	81,894	77,300	79,801	
Harkers Island	173,796	182,050	186,000	181,200	294,680	
Harlowe	51,420	56,000		54,855	64,300	
Marshallberg	176,532	199,170	199,164	203,790	185,664	
Mill Creek	23,604	27,345		27,345	30,160	
Morehead City	486,996	425,000		425,000	293,122	
Newport	169,500	319,875	324,000	319,875	336,000	
North River	29,330	32,020		31,380	63,768	
Otway	58,596	133,525	83,478	83,500	139,244	
Salter Path/Indian Beach	128,496	199,590		35,000	38,000	
Sea Level	53,004	53,550	64,659	53,550	61,059	
South River	98,400	50,935	115,252	71,590	126,752	
Stacy	15,600	17,000		18,970	18,558	
Stella	40,704	31,800		37,370	53,618	
Western Carteret	516,696	516,700	567,730	543,720	-	
Wildwood	306,810	416,000	446,904	440,850	446,404	
District Reserves	155,310	294,726	-	-	835,899	
Local Option Sales Tax	1,015,311	940,000	558,750	801,900	807,400	
Total	4,283,185	4,529,881	3,168,804	4,172,040	4,441,120	-1.96%

Revenue Sources						
Ad Valorem Taxes	3,414,560	3,584,755	2,610,054	3,370,140	3,597,256	
Local Option Sales Tax	1,106,482	940,000	558,750	801,900	807,400	
Interest	17,848	-	-	-	-	
Reserved Fund Balance	-	5,126	-	-	36,465	
Total	4,538,890	4,529,881	3,168,804	4,172,040	4,441,121	-1.96%

Occupancy Tax**Special Revenue Fund**

Purpose: This fund is used to account for the five percent tax collected on hotel, motel, and condominium room rentals within the County and the subsequent distribution of the tax to the appropriate authorities and municipalities. The funds are used to promote tourism or beach nourishment. The distribution of revenues is dictated by NC House Bill 698.

	2007-2008 Actual	Amended 2008-2009 Budget 12/31/08	2009-2010 Requested	2009-2010 Recommended	2009-2010 Board Approved	Percent Change From FY 09/10
Expenditure Category						
Tourism Development Authority	2,358,249	2,484,900	2,376,000	2,376,000	2,376,000	
Transfer to General Fund	2,415,992	2,545,100	2,434,000	2,434,000	2,434,000	
Total	<u>4,774,241</u>	<u>5,030,000</u>	<u>4,810,000</u>	<u>4,810,000</u>	<u>4,810,000</u>	<u>-4.37%</u>

Revenue Sources						
Occupancy Tax	4,770,720	5,020,000	4,800,000	4,800,000	4,800,000	
Occupancy Tax Penalties and Interest	3,521	5,000	5,000	5,000	5,000	
Interest	26,922	5,000	5,000	5,000	5,000	
Total	<u>4,801,163</u>	<u>5,030,000</u>	<u>4,810,000</u>	<u>4,810,000</u>	<u>4,810,000</u>	<u>-4.37%</u>

County Capital Improvements

Capital Fund

Purpose: This fund accounts for large annual capital projects for general county government.

	2007-2008 Actual	Amended 2008-2009 Budget 12/31/08	2009-2010 Requested	2009-2010 Recommended	2009-2010 Board Approved	Percent Change From FY 09/10
Expenditure Category						
Public Buildings Generator	-	250,000	-	-	-	
Aerial Mapping	-	78,900	70,775	70,775	70,775	
Jail Expansion	-	200,000	-	-	-	
Heavy Equipment	49,500	-	-	-	-	
Water Access Projects						
Land Purchase	-	850,000	-	-	-	
Morehead City Project	100,000	100,000	100,000	100,000	100,000	
West Beaufort Rd. Project		693,000	-	-	-	
Newport Park Development	20,725	1,590,850	1,250,000	1,250,000	1,250,000	
Eastern Park Improvements	-	213,800	-	-	-	
Western Park Bathrooms & Parking	-	-	280,000	280,000	280,000	
Swinson Park Improvements	249,454	32,626	-	-	-	
Total	<u>419,679</u>	<u>4,009,176</u>	<u>1,700,775</u>	<u>1,700,775</u>	<u>1,700,775</u>	<u>-57.58%</u>

Revenue Sources						
Transfer from General Fund	2,588,989	530,000	100,000	100,000	100,000	
Transfer from Other Funds	10,000	-	-	-	-	
Water Access Grant	-	750,000	-	-	-	
NC PARTF Grant	-	500,000	-	-	-	
NC CAMA Grant	-	523,000	-	-	-	
Interest	138,049	18,900	15,000	15,000	15,000	
Fund Balance	-	1,687,276	1,585,775	1,585,775	1,585,775	
Total	<u>2,737,038</u>	<u>4,009,176</u>	<u>1,700,775</u>	<u>1,700,775</u>	<u>1,700,775</u>	<u>-57.58%</u>

County Capital Reserve

Capital Fund

Purpose: This fund is used to account for future major capital outlays for the benefit of the County. The County utilizes this fund to set aside funding for future large capital projects, and when the County spends these funds on capital projects, the funds are transferred to the Capital Improvements Fund.

Expenditure Category	2007-2008	Amended	2009-2010	2009-2010	2009-2010	Percent Change From FY 09/10
	Actual	Budget 12/31/08	Requested	Recommended	Board Approved	
Total	-	-	-	-	-	0.00%
Revenue Sources						
Interest	28,361	-	-	-	-	
Total	28,361	-	-	-	-	0.00%

Support Letter from the Chairman of the Board of Education and Superintendent
2009-2010 Capital Budget Request

Each year an investment is made in our students, our staff and our community through the funding of the Carteret County Board of Education's Budget requests. These investments are driven by one vision- providing quality resources and opportunities for student learning.

The following sections present the school system's 2009-2010 Capital Budget Request of \$2,780,122. Subsequent sections provide substantial documentation of these needs which have been jointly developed through school leadership teams, maintenance, and central service administrators. This budget continues to emphasize safety, accessibility and preventive maintenance so that our schools are well maintained and do not get in disrepair. It also represents a 0.74 % decrease from the school system's 2008-2009's funded capital budget of \$2,800,900.

We continue to emphasize the importance of quality air control in our HVAC and dehumidification needs. Many of these needs have been addressed in our bond referendum but some problems still linger and will need addressing in the near future. This capital budget continues to prioritize items of safety to our students and public while on our campuses. Keeping a rotating schedule of planned painting and maintenance keep us from accumulating delayed maintenance projects that amount to large capital requests in the future. The county has been generous in working with the school system in recognizing these needs and looking for ways to fund them. The continuation of the technology replacement plan is important in keeping our students in 21st century classrooms and making them competitive in a global society.

Your support to fund this budget in its entirety is greatly appreciated.

Sincerely,

Catherine H. Neagle
Board Chairman

Jeanne D. Huntley
Interim Superintendent

School Capital Projects

Capital Projects

Purpose: This fund accounts for pay as you go major capital improvements for the County School System.

	2007-2008 Actual	Amended 2008-2009 Budget 12/31/08	2009-2010 Requested	2009-2010 Recommended	2009-2010 Board Approved	Percent Change From FY 09/10
Expenditure Category						
Capital Improvements						
Safety and Accessibility	737,770	807,150	487,550	487,550	484,050	
Planned Repairs & Maintenance	-	748,340	1,249,100	1,006,600	96,600	
Painting	297,192	316,208	22,330	22,330	22,330	
Waste Water Improvements	303,507	-	-	-	-	
Category II	423,335	-	-	-	-	
Category II Schools	-	390,878	398,480	358,630	360,000	
Category II Band	-	115,360	106,940	96,245	106,000	
Category II Departments	-	70,040	72,142	64,925	37,000	
Technology	1,789,880	192,924	334,680	334,680	334,680	
Category III	111,505	160,000	108,900	108,900	-	
Prior Year Category I	21,496	37,005	-	-	-	
Prior Year Category II	69,130	130,325	-	-	-	
Prior Year Category III	195,154	238,720	-	-	-	
Prior Year Safety & Accessibility	46,475	341,679	-	-	-	
Total	<u>3,995,444</u>	<u>3,548,629</u>	<u>2,780,122</u>	<u>2,479,860</u>	<u>1,440,660</u>	<u>-59.40%</u>

Revenue Sources						
Sales Tax Refund	-	-	1,000	1,000	1,000	
Fund Balance	-	1,303,629	483,500	423,860	423,860	
Loan Proceeds	2,000,000	-	-	-	-	
Transfer from General Fund	2,508,000	2,215,000	2,270,622	2,030,000	990,800	
Interest	183,738	30,000	25,000	25,000	25,000	
Total	<u>4,691,738</u>	<u>3,548,629</u>	<u>2,779,122</u>	<u>2,479,860</u>	<u>1,440,660</u>	<u>-59.40%</u>

Water Fund

Water Fund

Purpose: The Water Fund is an enterprise fund which is used to account for all the financial activity associated with operating the County's Water System. The fund is primarily supported by usage charges from water customers. In prior years, the County contracted the management of this system with the Town of Beaufort.

Major Accomplishments

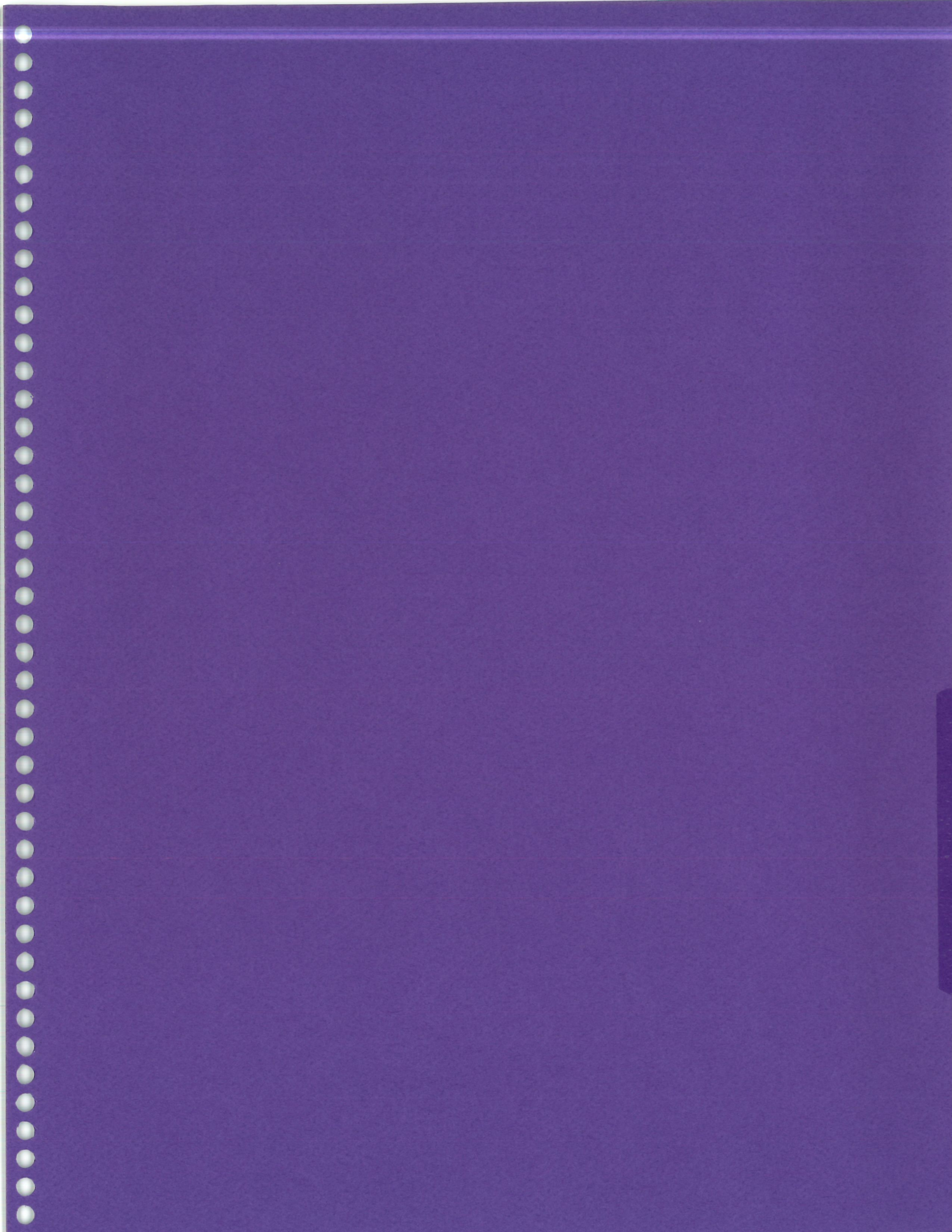
- A new subdivision has been added to the water system with 62 future water hookups as houses are completed.
- Continued to work with the planning department to ensure all new subdivisions in the water service area are connected to the water system at the developer's cost. To date 6 subdivisions with 116 future water customers have been added to the water system and there is a proposed subdivision with up to 709 housing units.
- Received funding through a Community Development Block Grant (CDBG), which funded the piping installed from the meter site to the customer's house. We are currently working on a similar grant, for qualifying, low-income homes that already have the meters installed.
- Installed 16 new taps.
- Finished the Initial Distribution System Evaluation (IDSE) report and sent it to the Environmental Protection Agency (EPA) and State for approval. Testing will begin in April 2009 and continue through April 2010.
- Received a grant to upgrade the water system to provide fire protection with a new 200,000 gallon elevated water tank and add approximately 50 fire hydrants in the Highway 101/Mill Creek area. The grant should also assist with required upgrades at the water plant for the new National Pollutant Discharge Elimination System (NPDES) discharge permit. A second application has been submitted to upgrade the water system to provide fire protection with a second new elevated water tank in the Highway 70/Highway 101 area outside of the Town of Beaufort and approximately 100 fire hydrants.

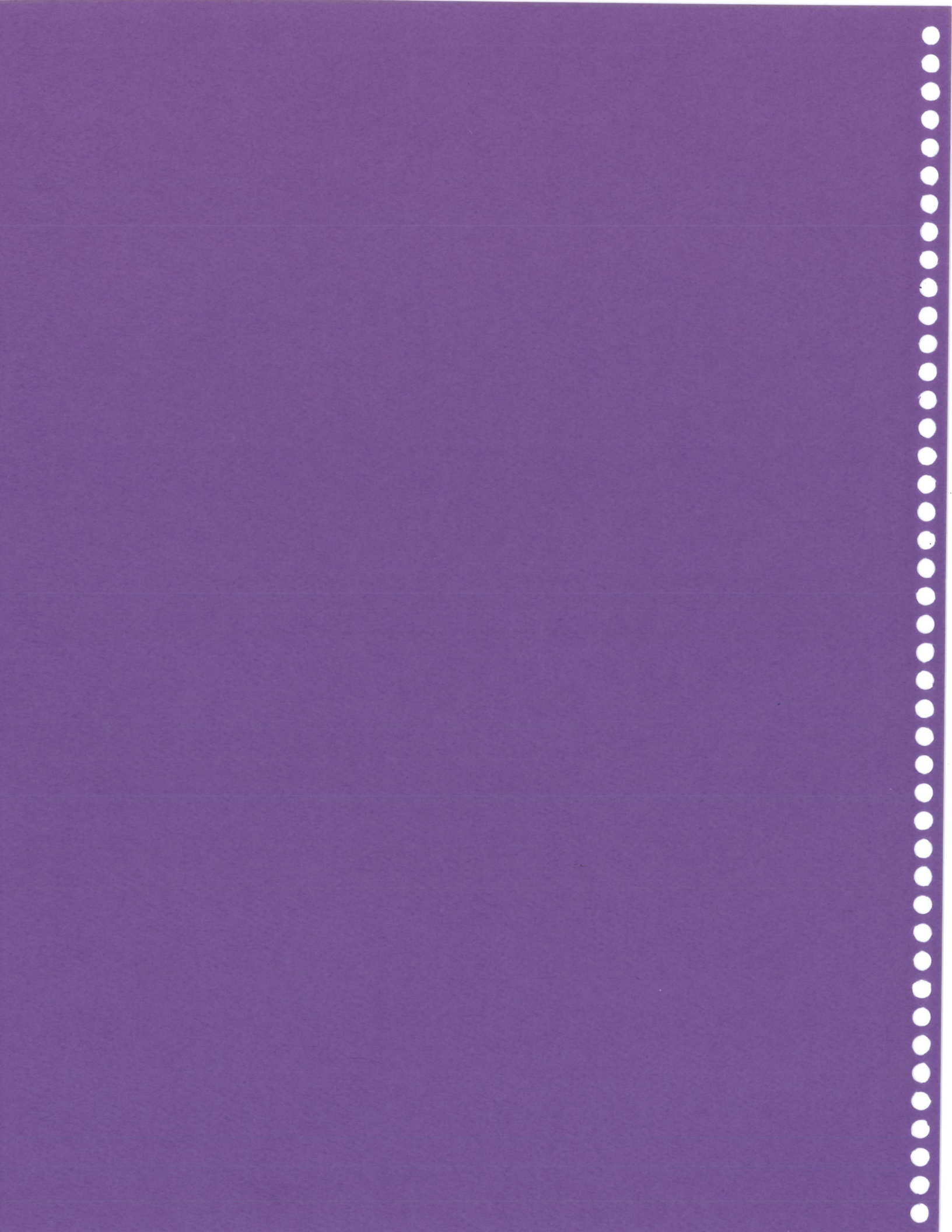
Key Objectives

- Begin constructing the new water tank and fire hydrants under the grant funding already received for fire protection.
- Plan and install a loop to the Highway 101 & Highway 70 water lines in the Town of Beaufort area to sell 200,000 gallons of water per day to the Town of Beaufort in late 2009 or early 2010.
- Applying for grants under the 2009 American Recovery & Reinvestment Act of 2009.

Expenditure Category	2007-2008	Amended	2009-2010	2009-2010	2009-2010	Percent
	Actual *	Budget				
		12/31/08	Requested	Recommended	Approved	FY 09/10
Personnel	170,553	218,085	212,065	212,065	212,065	
Operations	257,129	207,500	232,900	232,900	232,900	
Debt Service	258,235	255,535	251,035	251,035	251,035	
Capital Outlay	15,704	181,721	-	-	-	
Total	701,621	862,841	696,000	696,000	696,000	-19.34%
Revenue Sources						
Water Operating Revenue	550,256	478,120	493,500	493,500	493,500	
Interest	33,908	10,000	7,500	7,500	7,500	
Other Nonoperating Revenue	-	144,221	-	-	-	
Appropriated Fund Balance	-	12,500	25,000	25,000	25,000	
Transfer from General Fund	278,000	218,000	170,000	170,000	170,000	
Total	862,164	862,841	696,000	696,000	696,000	-19.34%
Staffing						
Numbers of Positions	4.4	4.4	4.4	4.4	4.4	0.00%

* Note: Actual is modified accrual basis of accounting for comparative purposes.





Capital Improvements Program

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

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

Annually the Board of Commissioners makes a decision as to what level of funding will be allocated for capital outlay purposes for the county's school system.

Future years' capital improvements should be financed through normal growth in revenues and other financing sources for large projects, such as school construction. Multi-year projects have project ordinances adopted for budgeting. Once funds are appropriated for a capital project, they remain available until the project is completed or closed, and do need to be reappropriated year after year.

It may be useful to review some of the larger projects which are currently in progress and which were funded in prior years.

Continuing Projects

- **School Renovations and Capital Improvements**

In November 2005, Carteret County voters passed a \$50 million referendum for school renovations, capital improvements, and new construction to expand existing facilities at 13 schools. In April 2006, the County issued \$22 million of the \$50 million for major building improvements. This amount included design work and major improvements. The County issued an additional \$18.4 million in April 2007. The County anticipates issuing the remaining \$9.71 million in 2010 calendar year. The Board of Education anticipates that all improvements and projects will be completed within three years.

- **Beaufort Square Project Renovation**

The County entered into a long term lease agreement for a 23,300 square foot building in Beaufort Square. The County is investing \$1.4 million to renovate and upgrade the facility. The Beaufort Library will be relocated here with 12,900 square feet, a 43% increase in square footage. In addition, the County's Board of Elections, Parks and Recreation, and Soil Conservation Departments will be moved to this location. The project should be completed in August, 2009.

- **Newport Park Development**

The County is continuing its Newport District Park project. The County has made a \$2.1 million investment with \$500,000 of the investment from Parks and Recreation Trust Funds, (PARTF). The park is 30 acres, and should be completed in 2010.

Capital Improvements Plan

2010-2014

The Capital Improvement Plan (CIP) is a five-year plan for the financing of major projects that represent significant contributions to the County's overall inventory of physical assets. A capital improvement project is a major nonrecurring capital expenditure for an item costing more than \$100,000 with an expected useful life greater than one year.

Capital Improvements Decision Process:

The decision process for the CIP is incorporated into the County's annual budget planning process. The need for capital improvements can originate from the Board, Manager, citizens or County staff. Once a potential need is identified, it is reviewed during the budget workshops. A final decision for the CIP is made at the time of budget adoption.

Function of the Capital Improvements Plan:

The CIP is an integral part of the county's budgeting process. This five (5) year schedule is a planning tool, in which adjustments for anticipated projects can be made each year during the annual revision of the County's budget. Each year, the CIP is updated, with the deletion of the "prior year" and the addition of a planning year, in order to maintain the full five-year period of the program. The CIP is also revised as needed until individual projects are formally adopted. This flexibility in the planning and implementation of capital needs make the CIP very responsive to the constantly changing conditions that exist in the County.

By projecting and scheduling capital improvements in advance, the County benefits in a number of ways:

1. Helps the County plan for the repair, replacement, and acquisition of capital items and facilities that are necessary in providing high quality services to the citizens.
2. Reduces or eliminates the need for "crash programs" to finance the construction of county facilities.
3. Insures that projects are well thought out in advance of construction due to advance planning.
4. Insures better coordination, evaluation, prioritization, and planning of projects to serve the county and its needs.
5. Assists in fiscal planning by forecasting capital demands together with future revenues and expenditures.
6. Helps maintain or improve the County's healthy credit rating and fiscal health through promoting strong budgetary and financial management planning.

SUMMARY OF CAPITAL PROJECT EXPENDITURES

	<u>FY 09-10</u>	<u>FY 10-11</u>	<u>FY 11-12</u>	<u>FY 12-13</u>	<u>FY 13-14</u>	<u>TOTAL</u>
General Government						
Aerial Maps	70,775	72,600	67,238	69,055	63,695	343,363
Finance & Tax System	-	-	-	2,000,000	-	2,000,000
New County Administrative Offices	-	-	-	-	4,350,000	4,350,000
Renovate County Administrative Offices for Courts	-	-	-	-	1,000,000	1,000,000
Roof Replacement Admin / Court Annex	-	-	-	500,000	-	500,000
Total General Government	70,775	72,600	67,238	2,569,055	5,413,695	8,193,363
Public Safety						
Jail Expansion	-	250,000	350,000	5,500,000	5,500,000	11,600,000
*911 Operations Center	2,500,000	-	-	-	-	2,500,000
Land for Courthouse & Jail Expansion	-	500,000	-	-	-	500,000
County Pistol Range & Fire Training Area	-	225,000	-	-	-	225,000
Total Public Safety	2,500,000	975,000	350,000	5,500,000	5,500,000	14,825,000
Transportation						
Atlantic Harbor Entrance Channel	-	-	4,500,000	-	-	4,500,000
Marshallberg Docks	-	100,000	650,000	-	-	750,000
Total Transportation	-	100,000	5,150,000	-	-	5,250,000
Environmental Protection						
Upgrade Cedar Island/Atlantic Solid Waste Site	-	175,000	-	-	325,000	500,000
Replace Public Works Building/Garage Property	-	-	-	800,000	-	800,000
Total Environmental Protection	-	175,000	-	800,000	325,000	1,300,000
Culture and Recreation						
Newport Park Project	1,250,000	-	-	-	-	1,250,000
Water Access - MHC Radio Island	100,000	100,000	100,000	-	-	300,000
Salter Path Park Renovation	-	650,000	-	-	-	650,000
Upgrade of Field Lights: Freedom & Mariners	-	-	-	133,900	-	133,900
Western Park Parking & Restrooms	280,000	-	-	-	-	280,000
Western Library Addition	-	30,000	-	-	350,000	380,000
*Library Land/Building	-	-	150,000	350,000	-	500,000
Civic Center Exterior Renovation Project	-	-	-	-	850,000	850,000
Total Culture and Recreation	1,630,000	780,000	250,000	483,900	1,200,000	4,343,900
Water Fund						
Water Treatment Plant Upgrades	150,000	-	-	-	-	150,000
Water System Upgrades	1,000,000	1,000,000	-	-	-	2,000,000
Total Water Fund	1,150,000	1,000,000	-	-	-	2,150,000
Grand Total	5,350,775	3,102,600	5,817,238	9,352,955	12,438,695	36,062,263

*Installment Financing

Project Title:

Water System Upgrade (Grants provide matching \$\$)

Requesting Department / Organization:

Water

Project Description:

This project will include two phases: Phase 1(2009-2010): An elevated water storage tank in the Mill Creek area and purchase property along Hwy 101 to install a booster pump station to improve water pressure and quality, and to install fire hydrants to offer fire protection on the west end of our water system. We applied for, and received a matching grant of \$500,000. Phase 2(2010-2011): To install a booster pump station along Hwy 70 to improve pressure, volume, and quality. Also, a second elevated tank between Hwy 70 and Hwy 101 for more water pressure and flow, to possibly sell 200,000 gallons of water per day to the Town of Beaufort. More fire hydrants will be installed along Hwy 70 & Hwy 101 to offer fire protection and lower homeowner insurance rates for the citizens.

Grant for \$500,000 approved.

	<u>FY 10</u>	<u>FY 11</u>	<u>FY 12</u>	<u>FY 13</u>	<u>FY 14</u>	<u>TOTAL</u>
Project Expenditures						
Planning and Design						-
Construction	1,150,000	1,000,000				2,150,000
Total Project Expenditures	1,150,000	1,000,000	-	-	-	2,150,000
Funding Sources						
Intergovernmental	500,000					
Installment Financing	650,000	1,000,000				1,650,000
Total Funding Sources	1,150,000	1,000,000	-	-	-	1,650,000
Estimated Impact on Annual Operating Budget	None					

The following projects are tentatively scheduled to be funded in fiscal years 2011-2014.

Project Title:

Jail Expansion

Requesting Department / Organization:

Sheriff

Project Description:

Due to inmate population growth, the County will need to expand the jail in the next several years. The County has engaged feasibility services.

	<u>FY 10</u>	<u>FY 11</u>	<u>FY 12</u>	<u>FY 13</u>	<u>FY 14</u>	<u>TOTAL</u>
Project Expenditures						
Planning and Design		30,000				30,000
Construction		195,000	350,000	5,500,000	5,500,000	11,545,000
Equipment		25,000				25,000
Total Project Expenditures	-	250,000	350,000	5,500,000	5,500,000	11,600,000
Funding Sources						
Capital Improvements Fund		250,000				250,000
Installment Financing			350,000	5,500,000	5,500,000	11,350,000
Total Funding Sources	-	250,000	350,000	5,500,000	5,500,000	11,600,000
Estimated Impact on Annual Operating Budget						
Personnel			151,000	151,000	151,000	151,000
Total Estimated Impact On Operating Budget	-	-	151,000	151,000	151,000	151,000

Project Title:

Purchase Land around Courthouse for Expansion (Jail and Courthouse)

Requesting Department / Organization:

Project Description:

In order to expand these facilities, the County must buy adjacent land. The ideal solution would be to own the entire city block bounded by Cedar, Queen, Broad and Turner streets. County staff are identifying all land available for purchase.

	<u>FY 10</u>	<u>FY 11</u>	<u>FY 12</u>	<u>FY 13</u>	<u>FY 14</u>	<u>TOTAL</u>
Project Expenditures						
Planning and Design		500,000				500,000
Total Project Expenditures	-	500,000	-	-	-	500,000
Funding Sources						
Capital Improvements Fund		500,000				500,000
Total Funding Sources	-	500,000	-	-	-	500,000
Estimated Impact on Annual Operating Budget	None					

Project Title:

County Pistol Range & Fire Training Area

Requesting Department / Organization:

Project Description:

The County currently leases property in Newport from Robert Lewis. Before upgrading this facility, the County is considering the purchase of this property. We currently have a small firing range constructed on this site.

	<u>FY 10</u>	<u>FY 11</u>	<u>FY 12</u>	<u>FY 13</u>	<u>FY 14</u>	<u>TOTAL</u>
Project Expenditures						
Planning and Design						-
Construction		225,000				225,000
Total Project Expenditures	-	225,000	-	-	-	225,000
Funding Sources						
Capital Improvements Fund		225,000				225,000
Total Funding Sources	-	225,000	-	-	-	225,000
Estimated Impact on Annual Operating Budget		None				

Project Title:
Marshallberg Harbor Docks

Requesting Department / Organization:
Harbors

Project Description:

The project will include the construction of public docks and a parking lot at the Marshallberg Harbor.

	<u>FY 10</u>	<u>FY 11</u>	<u>FY 12</u>	<u>FY 13</u>	<u>FY 14</u>	<u>TOTAL</u>
Project Expenditures						
Planning and Design		100,000				100,000
Construction			650,000			650,000
Total Project Expenditures	-	100,000	650,000	-	-	750,000
Funding Sources						
Capital Improvements Fund		100,000	650,000			750,000
Total Funding Sources	-	100,000	650,000	-	-	750,000
Estimated Impact on Annual Operating Budget						
Operating Expense	-	1,500	2,000	2,000	2,000	7,500
Total Estimated Impact On Operating Budget	-	1,500	2,000	2,000	2,000	7,500

Project Title:
Solid Waste

Requesting Department / Organization:
Engineering

Project Description:

The project would include the purchase of land and develop a new solid waste convenience site to serve the Atlantic and Cedar Island area. The Cedar Island site is currently unmanned.

	<u>FY 10</u>	<u>FY 11</u>	<u>FY 12</u>	<u>FY 13</u>	<u>FY 14</u>	<u>TOTAL</u>
Project Expenditures						
Land Purchase		175,000				175,000
Construction					325,000	325,000
Total Project Expenditures	-	175,000	-	-	325,000	500,000
Funding Sources						
Capital Improvements Fund		175,000			325,000	500,000
Total Funding Sources	-	175,000	-	-	325,000	500,000
Estimated Impact on Annual Operating Budget						
Operating Expense					40,000	40,000
Total Estimated Impact On Operating Budget	-	-	-	-	40,000	40,000

Project Title:

Salter Path Park

Requesting Department / Organization:

Parks and Recreation

Project Description:

The project will include renovating the existing park property. It will include one general purpose field, a skate board facility, picnic shelter, restrooms, walking paths, playground equipment, parking and basketball court improvements. A portable backstop for baseball/softball play is also included in the project.

	<u>FY 10</u>	<u>FY 11</u>	<u>FY 12</u>	<u>FY 13</u>	<u>FY 14</u>	<u>TOTAL</u>
Project Expenditures						
Planning and Design						-
Construction		650,000				650,000
Total Project Expenditures	-	650,000	-	-	-	650,000
Funding Sources						
State Funding		325,000				325,000
Capital Improvements Fund		325,000				325,000
Total Funding Sources	-	650,000	-	-	-	650,000
Estimated Impact on Annual Operating Budget						
Operating Expense			1,200	2,500	3,500	7,200
Total Estimated Impact On Operating Budget	-	-	1,200	2,500	3,500	7,200

Project Title:

Western Carteret Library Addition

Requesting Department / Organization:

Library

Project Description:

This project will include enclosing the present open concrete slab located on the front of the present building. This area will be about 22' by 50' and includes a restroom. This proposed expansion will provide the space needed for library programming and activities for children and youth.

	<u>FY 10</u>	<u>FY 11</u>	<u>FY 12</u>	<u>FY 13</u>	<u>FY 14</u>	<u>TOTAL</u>
Project Expenditures						
Planning and Design						-
Construction		30,000			350,000	380,000
Total Project Expenditures	-	30,000	-	-	350,000	380,000
Funding Sources						
Capital Improvements Fund		30,000			350,000	380,000
Total Funding Sources	-	30,000	-	-	350,000	380,000
Estimated Impact on Annual Operating Budget	None					

Project Title:

Atlantic Harbor Entrance Project

Requesting Department / Organization:

Harbors

Project Description:

This project will restore deep water access to Atlantic Harbor of Refuge and restore the breakwater protection for the harbor. The project will include: 1) The dredging of approximately 50,000 cys of silty material from the entrance channel, 2) disposing of the 50,000 cys of dredge spoils, and 3) rebuilding the sand breakwater for protection to the entrance channel.

	<u>FY 10</u>	<u>FY 11</u>	<u>FY 12</u>	<u>FY 13</u>	<u>FY 14</u>	<u>TOTAL</u>
Project Expenditures						
Construction			4,500,000			4,500,000
Total Project Expenditures	-	-	4,500,000	-	-	4,500,000
Funding Sources						
Intergovernmental			3,600,000			3,600,000
Capital Improvements Fund			900,000			900,000
Total Funding Sources	-	-	4,500,000	-	-	4,500,000
Estimated Impact on Annual Operating Budget	None					

Project Title:

Eastern Library Land & Building

Requesting Department / Organization:

Project Description:

The Eastern Library is currently in a leased space. The Down East Library Board has requested a library be constructed and expanded from its current size.

	<u>FY 10</u>	<u>FY 11</u>	<u>FY 12</u>	<u>FY 13</u>	<u>FY 14</u>	<u>TOTAL</u>
Project Expenditures						
Planning and Design			150,000			150,000
Construction				350,000		350,000
Total Project Expenditures	<u>-</u>	<u>-</u>	<u>150,000</u>	<u>350,000</u>	<u>-</u>	<u>500,000</u>
Funding Sources						
Installment Financing			150,000	350,000		500,000
Total Funding Sources	<u>-</u>	<u>-</u>	<u>150,000</u>	<u>350,000</u>	<u>-</u>	<u>500,000</u>
Estimated Impact on Annual Operating Budget			None			

Project Title:
Finance-Tax System

Requesting Department / Organization:
Finance

Project Description:
This project will include the purchase of a new finance-tax system.

	<u>FY 10</u>	<u>FY 11</u>	<u>FY 12</u>	<u>FY 13</u>	<u>FY 14</u>	<u>TOTAL</u>
Project Expenditures						
Equipment				2,000,000		2,000,000
Total Project Expenditures	-	-	-	2,000,000	-	2,000,000
Funding Sources						
Installment Financing				2,000,000		2,000,000
Total Funding Sources	-	-	-	2,000,000	-	2,000,000
Estimated Impact on Annual Operating Budget	None					

Project Title:

Roof Replacemnt of Adminstration-Court Annex

Requesting Department / Organization:

Engineering

Project Description:

The roof on the County Adminstration and County Annex Building is 25 years old and will need to be replaced in the next 4 years.

	<u>FY 10</u>	<u>FY 11</u>	<u>FY 12</u>	<u>FY 13</u>	<u>FY 14</u>	<u>TOTAL</u>
Project Expenditures						
Construction				500,000		500,000
Total Project Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>500,000</u>	<u>-</u>	<u>500,000</u>
Funding Sources						
Capital Improvement Funds				500,000	-	500,000
Total Funding Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>500,000</u>	<u>-</u>	<u>500,000</u>
Estimated Impact on Annual Operating Budget	None					

Project Title:

Replace Public Works Building/Garage Property

Requesting Department / Organization:

Public Works

Project Description:

This project will replace the Public Works/Garage complex that is outdated and too small to accommodate the needs of the department.

	<u>FY 10</u>	<u>FY 11</u>	<u>FY 12</u>	<u>FY 13</u>	<u>FY 14</u>	<u>TOTAL</u>
Project Expenditures						
Planning and Design						
Construction				800,000		800,000
Total Project Expenditures	-	-	-	800,000	-	800,000
Funding Sources						
Installment Financing				800,000		800,000
Total Funding Sources	-	-	-	800,000	-	800,000
Estimated Impact on Annual Operating Budget				None		

Project Title:

Upgrade Field Lights (Freedom and Mariners Park)

Requesting Department / Organization:

Parks and Recreation

Project Description:

The project includes the replacing of existing wooden light poles with metal computerized lights at Freedom and Mariners Park.

	<u>FY 10</u>	<u>FY 11</u>	<u>FY 12</u>	<u>FY 13</u>	<u>FY 14</u>	<u>TOTAL</u>
Project Expenditures						
Equipment				133,900		133,900
Total Project Expenditures	-	-	-	133,900	-	133,900
Funding Sources						
Capital Improvements Fund				133,900		133,900
Total Funding Sources	-	-	-	133,900	-	133,900
Estimated Impact on Annual Operating Budget						
Operating Expense				2,000		2,000
Total Estimated Impact On Operating Budget	-	-	-	2,000	-	2,000

Project Title:

New County Administrative Space

Requesting Department / Organization:

Engineering

Project Description:

It is anticipated that in the next five years the court system will outgrow its current space and displace the county administrative space.

	<u>FY 10</u>	<u>FY 11</u>	<u>FY 12</u>	<u>FY 13</u>	<u>FY 14</u>	<u>TOTAL</u>
Project Expenditures						
Planning/Design					350,000	350,000
Construction					4,000,000	4,000,000
Total Project Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,350,000</u>	<u>4,350,000</u>
Funding Sources						
Installment Financing					4,350,000	4,350,000
Total Funding Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,350,000</u>	<u>4,350,000</u>
Estimated Impact on Annual Operating Budget						
Operating Expense					20,000	20,000
Total Estimated Impact On Operating Budget	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>20,000</u>

Project Title:

Renovation of Old Administrative Space

Requesting Department / Organization:

Engineering

Project Description:

It is anticipated that in the next five years the court system will outgrow its current space and displace the county administrative space. Once the space is vacated, it will have to be renovated for use by the courts.

	<u>FY 10</u>	<u>FY 11</u>	<u>FY 12</u>	<u>FY 13</u>	<u>FY 14</u>	<u>TOTAL</u>
Project Expenditures						
Construction					1,000,000	1,000,000
Total Project Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,000,000</u>	<u>1,000,000</u>
Funding Sources						
Installment Financing					1,000,000	1,000,000
Total Funding Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,000,000</u>	<u>1,000,000</u>
Estimated Impact on Annual Operating Budget						
Operating Expense					15,000	15,000
Total Estimated Impact On Operating Budget	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,000</u>	<u>15,000</u>

Project Title:

Civic Center Exterior Renovation Project

Requesting Department / Organization:

Civic Center

Project Description:

This project will include extending and enclosing the existing north entrance. It was also include adding enclosures to the east and north side of the building, adding 1,700 square foot. This area will be used as a pre-function space for exhibits. The project also includes adding a 1,100 square foot entry tower with an interior elevator. A storage area will be added to hold existing equipment.

	<u>FY 10</u>	<u>FY 11</u>	<u>FY 12</u>	<u>FY 13</u>	<u>FY 14</u>	<u>TOTAL</u>
Project Expenditures						
Planning and Design					100,000	100,000
Construction					750,000	750,000
Total Project Expenditures	-	-	-	-	850,000	850,000
Funding Sources						
Capital Improvements Fund					850,000	850,000
Total Funding Sources	-	-	-	-	850,000	850,000
Estimated Impact on Annual Operating Budget	None					

Capital Improvement Plan

***Carteret County Schools
Carteret Community College***

CARTERET COMMUNITY COLLEGE

2015 MASTER PLAN

Timeline of Proposed Capital Projects

September, 2006

Carteret Community College completed its facilities master plan by MBAJ Architecture and Barnhardt & Associates in September 2006. The goals of the master plan were to verify use of current campus facilities, determine and quantify needs for additional space, determine a plan for best use of current facilities, determine needs for future space, and create a campus master plan for facilities development.

Important findings for the study are as follows:

- The college can achieve greater efficiencies of space utilization by improved scheduling and increasing shared spaces.
- The college has a current deficit of space of 30,000 – 40,000 square feet over what is needed for vocational programming, maintenance, direct student services, the library, and business operations.
- Some of the college facilities are past the point of effective renovation and will need to be replaced. Other facilities need renovation for ADA requirements.
- With changing demographics of the county, the college will need to redirect marketing and improve campus signage to enhance college identity.
- The college's long term growth and development will be limited by the current size of the campus.

Discussion Points

Space Utilization: The College has begun the process of refining our class scheduling protocols and has explored the use of software to maximize efficiency. In addition, we are documenting the use of rooms that could be shared by two or more programs and will adjust schedules accordingly. Because of the college's focus on technical programs to meet county needs, we have a higher proportion of dedicated spaces, such as labs for nursing, radiography, respiratory, etc., than many other colleges our size. In addition, we have determined a deficit in rooms that would hold more than 35 students.

Space Deficit: The College's library, student enrollment resources, and business office are in the same spaces they were in 20 or more years ago. In each of these areas, space needs are determined, to some extent, by the size of enrollment which has grown considerably in that period of time, including approximately 30 percent since 2000. The library currently does not meet Southern Association of Colleges and Schools standards and could affect the college's re-accreditation in 2010. During registration and at other peak times, Student Enrollment Resources has to conduct sensitive enrollment counseling and financial aid counseling in open areas. The Business Office is also conducting financial business in open areas and risk management is difficult. The study also determined that even with increased efficiencies of scheduling, there is a deficit of general classroom space, especially with large classrooms.

Facility Replacements: According to state office of construction, when a building's cost of renovation exceeds 50 percent of its replacement cost, renovation is not recommended. The study identified the Culinary building and the Basic Law Enforcement building that will need to be replaced within the next 10 years. Programs currently in renovated residences, specifically pottery and Life Structure, will have to be relocated and the houses torn down. Renovations that must be done to meet ADA requirements include the elevator and 2nd floor bathrooms in McGee, the bathrooms and possibly the elevator in the Smith Building, as well as campus improvements, such as sidewalks.

Marketing and Signage: County growth in the next 10 years is not predicted to match the growth of the previous 10, and the fastest growth will be in the 50+ age group. Therefore, the college must seek a larger market share of the 18 to 35 year olds. We have already begun to redirect our marketing to a younger audience, and we are in process of purchasing a marquee sign for the front of the campus. In addition, the consultants said that the campus signage should establish the identity of the college from Arendell to the classrooms.

Future Growth: On its current location, the college is land locked. Some economy could be realized with off-campus centers, such as an expansion of the Western Carteret Library and Learning Center property, but this would apply mostly to adult and continuing education type programming. Moving curriculum programs off campus loses the economy because of the requirement to duplicate services at the site. Population projections for the county do not predict densities of population in any part of the county that would justify a significant off-campus facility. The exception could be in areas such as Basic Law Enforcement, EMT, and Fire Training – programs that essentially stand alone and do not depend on other campus resources. At this point the only contiguous property that could conceivably be purchased includes Colony Tire; Burnette Architecture, Pa; a single story, brick strip mall; and 1.5 acres of rental property on the western boundary.

The 2015 Campus Master Plan did not project additional programs that the college might start in the next 10 to 15 years, as that is the responsibility of the Board of Trustees working with the county. Any programs that need additional space would have to be factored into the plan.

Projects Timeline

Project		Year	Sq' Feet	Cost	Funds Available	Funds Needed
Joslyn Hall Renovation	Completed	2007	960	\$400,000	\$400,000	
Maintenance Building	Completed	2007	6,000 FL 1,800 SF	\$953,560	\$260,000	\$693,560
Renovation of McGee for Construction Trades Training	Completed	2007	6,100	\$98,000	\$48,000	\$743,560
Marquee Sign	Completed	2007	NA	\$56,000	\$60,000	
McGee elevator (ADA compliance)	Completed	2007	NA	\$350,000		\$1,093,560
McGee Airlock for more efficient HVAC	Completed	2007	NA	\$125,000		\$1,218,560
Replace Welding Shear Shop	Completed	2007	1525	\$152,500		\$1,371,060
Civic Center: Beautification Project – Bury Power Lines		2007	NA	\$70,000		\$1,441,060
Civic Center: Maintenance and storage		2008		\$60,000		\$1,501,060
Shooting Range		2008	TBD	\$205,000		\$1,706,060
Purchase property on west boundary		2008	1.5 acres	\$1,200,000		\$2,906,060
Fire Training	Land Purchased 2009	2009	10 acres	\$1,100,000		\$4,006,060
Reconfigure College St. Entrance for safety		2009		\$45,000		\$4,051,060
Addition and Renovation of Corp. and Comm. Ed. Building		2009		\$125,000		\$4,176,060

LRC, Student Enrollment Resources, Business functions, classrooms		2010	36,000	\$6,660,000		\$10,836,060
Renovate Michael J. Smith space vacated by LRC		2011		\$225,000		\$11,061,060
Culinary, general classrooms, business training center		2011	15,000	\$2,925,000		\$13,986,060
BLET Replacement (possibly move to county EOC site)		2012	10,320	\$1,806,000		\$15,792,060
Civic Center Roof Replacement		2012		\$235,560		\$16,027,620
LRC Roof Replacement		2012		\$95,000		\$16,122,620
Renovate McGee for Financial Services, Administration, and Classrooms		2013		\$125,000		\$16,247,620
General Academic Building		2015	20,000	\$3,500,000		\$19,747,620

Support Letter from the Chairman of the Board of Education and Superintendent

2009-2010 Capital Budget Request

Each year an investment is made in our students, our staff and our community through the funding of the Carteret County Board of Education's Budget requests. These investments are driven by one vision- providing quality resources and opportunities for student learning.

The following sections present the school system's 2009-2010 Capital Budget Request of \$2,780,122. Subsequent sections provide substantial documentation of these needs which have been jointly developed through school leadership teams, maintenance, and central service administrators. This budget continues to emphasize safety, accessibility and preventive maintenance so that our schools are well maintained and do not get in disrepair. It also represents a 0.74 % decrease from the school system's 2008-2009's funded capital budget of \$2,800,900.

We continue to emphasize the importance of quality air control in our HVAC and dehumidification needs. Many of these needs have been addressed in our bond referendum but some problems still linger and will need addressing in the near future. This capital budget continues to prioritize items of safety to our students and public while on our campuses. Keeping a rotating schedule of planned painting and maintenance keep us from accumulating delayed maintenance projects that amount to large capital requests in the future. The county has been generous in working with the school system in recognizing these needs and looking for ways to fund them. The continuation of the technology replacement plan is important in keeping our students in 21st century classrooms and making them competitive in a global society.

Your support to fund this budget in its entirety is greatly appreciated.

Sincerely,

Catherine H. Neagle

Board Chairman

Jeanne D. Huntley

Interim Superintendent

**Carteret County Board of Education
Capital Improvement Plan
FY 2010 - 2014**

	<u>FY09/10</u>	<u>FY10/11</u>	<u>FY11/12</u>	<u>FY12/13</u>	<u>FY13/14</u>
SAFETY AND ACCESSIBILITY					
Atlantic Elementary School	10,000	258,500	594,911	13,500	-
Bogue Sound Elementary School	91,500	12,500	121,200	22,500	-
Beaufort Elementary School	21,000	-	25,500	-	11,500
Beaufort Middle School	12,750	369,165	165,250	82,500	-
Broad Creek Middle School	-	785,400	135,500	-	-
Bridges Alternative School	-	3,000	7,950	-	-
East Carteret High School	115,000	146,400	494,000	300,000	325,000
Croatan High School	114,500	151,500	306,000	-	-
Harkers Island Elementary School	3,500	85,000	92,500	58,000	32,500
Morehead Elementary School	-	47,500	70,500	36,000	-
Morehead Middle School	34,750	11,500	273,500	-	-
Morehead Primary School	118,500	2,301,165	127,750	-	-
Newport Elementary School	15,750	285,900	189,000	457,500	295,000
Newport Middle School	39,500	55,000	64,750	-	-
Smyrna Elementary School	341,000	-	76,500	156,700	-
West Carteret High School	693,500	64,000	479,500	93,500	7,750
White Oak Elementary School	125,400	132,890	24,500	-	-
Central Services	-	5,800	45,500	-	-
Facility Support Operations	-	312,500	158,000	-	-
Transportation	-	-	-	15,000	-
All Physical Plants	-	212,250	295,500	-	-
TOTAL	1,736,650	5,239,970	3,747,811	1,235,200	671,750

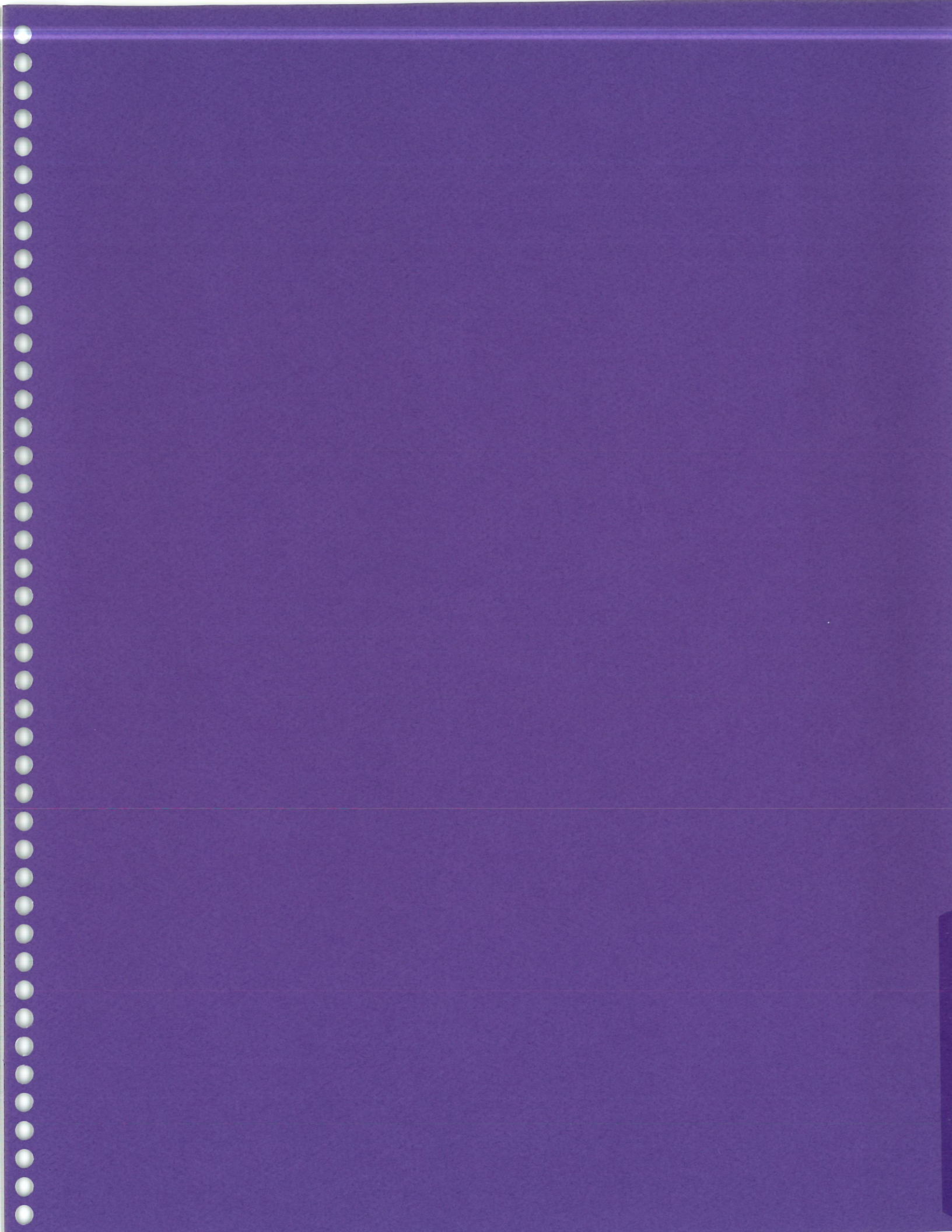
PAINTING

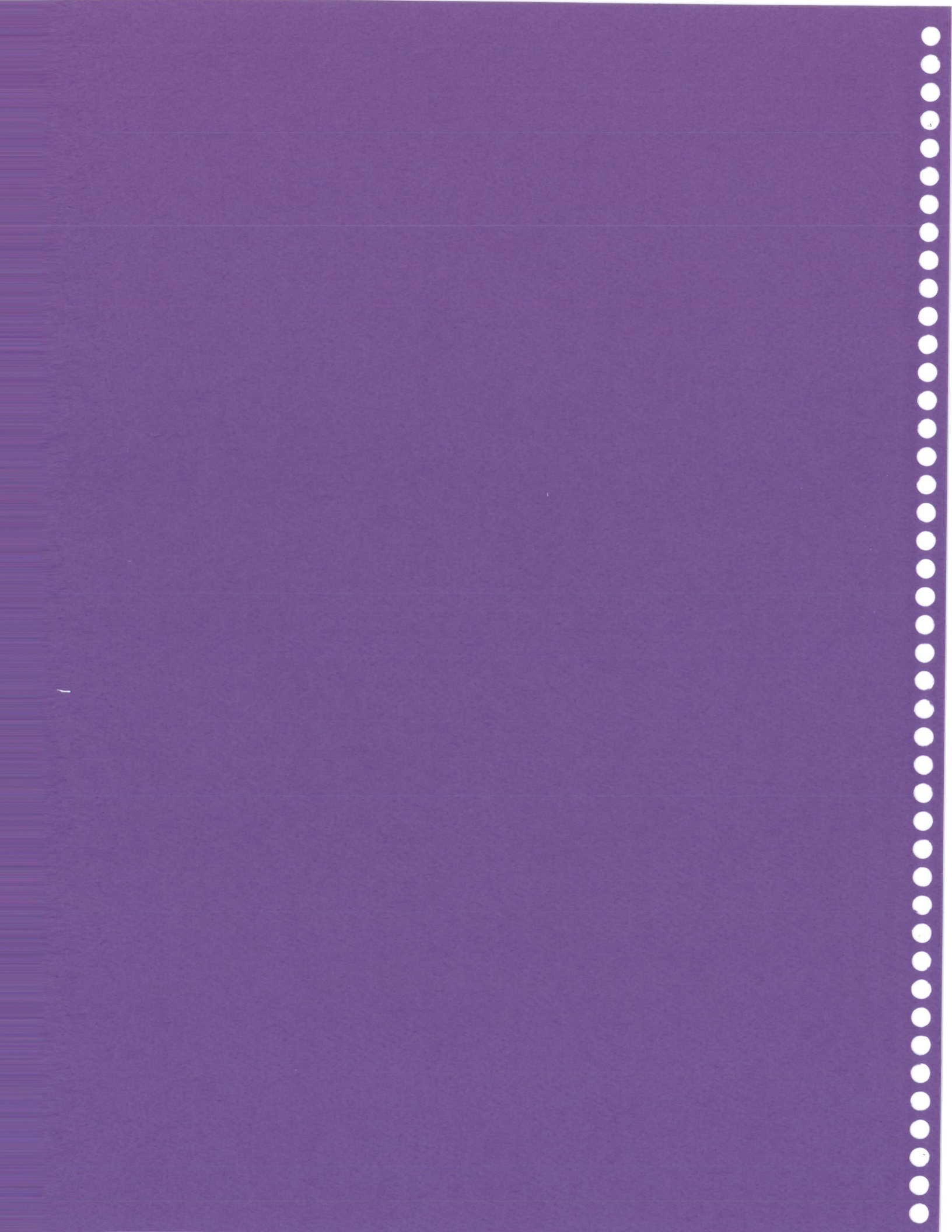
Atlantic Elementary School	-	-	-	53,000	-
Bogue Sound Elementary School	-	-	-	-	108,500
Beaufort Elementary School	-	107,100	-	-	-
Beaufort Middle School	-	-	-	-	96,500
Broad Creek Middle School	-	-	130,500	-	-
Bridges Alternative School	-	-	-	21,100	-
Croatan High School	-	-	-	187,650	-
Harkers Island Elementary School	-	-	36,000	-	-
Morehead Elementary School	-	-	-	62,400	-
Morehead Middle School	-	-	-	123,200	-
Morehead Primary School	-	144,000	-	-	-
Newport Middle School	-	-	-	-	163,000
Smyrna Elementary School	-	78,100	-	-	-
West Carteret High School	-	-	289,500	-	-
Central Services	22,330	-	-	-	-
Transportation	-	-	-	-	51,500
TOTAL	22,330	329,200	456,000	447,350	368,000

TECHNOLOGY

All Schools/Departments	334,680	354,402	383,466	-	-
TOTAL	334,680	354,402	383,466	-	-

	<u>FY09/10</u>	<u>FY10/11</u>	<u>FY11/12</u>	<u>FY12/13</u>	<u>FY13/14</u>
EQUIPMENT/BUILDINGS AND GROUNDS					
Atlantic Elementary School	12,263	12,471	12,472	12,404	12,402
Bogue Sound Elementary School	22,663	23,097	23,318	22,774	23,010
Beaufort Elementary School	24,135	24,021	24,202	23,930	24,574
Beaufort Middle School	16,775	18,444	19,884	20,292	19,168
Broad Creek Middle School	27,303	29,136	30,220	31,410	31,884
East Carteret High School	27,591	28,245	28,690	29,200	30,728
Croatan High School	35,047	35,868	37,972	38,550	39,908
Harkers Island Elementary School	13,863	14,286	14,478	14,342	14,714
Morehead Elementary School	18,535	19,599	19,816	18,864	19,202
Morehead Middle School	23,143	24,813	28,936	26,684	26,682
Morehead Primary School	28,935	29,004	29,778	29,880	30,014
Newport Elementary School	33,639	34,581	34,980	34,810	35,420
Newport Middle School	22,407	23,493	25,086	25,324	24,982
Smyrna Elementary School	16,903	17,190	17,810	17,436	17,842
West Carteret High School	46,215	45,505	45,758	45,622	46,096
White Oak Elementary School	29,063	30,522	31,920	31,546	31,952
TOTAL	398,480	410,275	425,320	423,068	428,578
BANDS					
Beaufort Middle School	5,252	5,409	5,571	5,738	5,911
Broad Creek Middle School	7,161	7,376	7,597	7,825	8,060
East Carteret High School	21,006	21,636	22,285	22,954	23,642
Croatan High School	21,006	21,636	22,285	22,954	23,642
Morehead Middle School	9,548	9,835	10,130	10,433	10,746
newport Middle School	7,161	7,376	7,597	7,825	8,060
Down East	7,161	7,376	7,597	7,825	8,060
West Carteret High School	28,645	29,504	30,389	31,300	32,239
TOTAL	106,940	110,148	113,451	116,854	120,360
DEPARTMENTS					
Maintenance	35,010	36,060	37,142	38,256	39,404
Warehouse	5,835	6,010	6,190	6,376	6,567
Transportation	19,627	20,216	20,822	21,447	22,090
Central	11,670	12,020	12,381	12,752	13,135
TOTAL	72,142	74,306	76,535	78,831	81,196
VEHICLE REPLACEMENT					
Maintenance/Pickup/Van/Box Truck	26,500	81,900	112,800	56,400	28,200
Activity Bus Replacement	82,400	169,750	349,672	-	-
TOTAL	108,900	251,650	462,472	56,400	28,200
TOTAL	2,780,122	6,769,951	5,665,055	2,357,703	1,698,084





BUDGET ORDINANCE

BE IT ORDAINED by the Carteret County Board of Commissioners:

Section I: General Fund

- A. It is estimated that the following revenues will be available in the General Fund for the fiscal year beginning July 1, 2009 and ending June 30, 2010.

Ad Valorem Taxes	44,150,000
Other Taxes	10,780,500
Permits and Fees	2,372,963
Intergovernmental	11,035,084
Sales and Services	2,696,320
Interest	750,000
Other Financing Sources	2,454,000
Appropriated Fund Balance	-
Appropriated Fund Balance - Health	246,100
Miscellaneous	195,523
	<hr/>
	74,680,490
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- B. The following amounts are hereby appropriated in the General Fund for the operation of County Government and its activities for the fiscal year beginning July 1, 2009 and ending June 30, 2010.

Governing Body	361,675
Administration	383,745
Information Systems	671,770
Finance	621,100
Human Resources	261,660
Tax and Revaluation	1,496,680
Legal	65,000
Court Facilities	52,635
Elections	516,035
Register of Deeds	407,765
Maintenance	1,259,335
Sheriff – Criminal Division	3,234,660
Communications	464,765
Sheriff – Civil Division	226,375
Sheriff – Bailiff Division	204,620
Sheriff – Jail Division	2,301,055

Emergency Medical Services	161,560
Paramedic Operations	726,760
Emergency Management	229,375
Rape Crisis	229,345
Domestic Violence	40,045
Fire Marshal	84,240
Consolidated Communications	150,070
Animal Control	431,200
Medical Examiner	50,000
Airport	83,955
Harbors	28,230
CCATS – Transportation	790,860
Forest Fire Control	124,000
Waste Collections	2,263,600
Public Works	737,170
Economic & Physical Development	190,000
Beach Nourishment	945,720
Planning and Development	854,150
Engineering	115,550
Cooperative Extension	227,395
Soil Conservation	54,090
Health Center	1,145,650
Health Promotion	60,815
Breast & Cervical Cancer	43,250
Communicable Disease	144,820
Ph Preparedness – Bioterrorism	70,285
Dental	171,965
Maternal Health & Family Planning	373,055
Child Health & Care Coordinator	281,490
WIC Programs	264,080
Environmental Health	1,102,840
Smart Start Income	54,065
Other Health & Human Services	564,000
Social Services Administration	5,605,640
Social Services Programs	4,512,735
CBA Juvenile Restitution	59,650
Veterans	309,410
Senior Center Aging Programs	374,555
Debt Service	9,560,500
Education	21,885,375
Senior Center	203,015

Public Library	1,010,895
Parks & Recreation Programs	609,180
Park Maintenance	585,810
Civic Center	345,960
Other Sources & Uses	1,260,800
Contingency	3,034,460
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	74,680,490
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- C. The appropriation to the Carteret County Board of Education firstly shall be made from any funds that are dedicated to the use of schools and secondly shall be made from general county revenue to the extent necessary.

Section II: E-911

- A. It is estimated that the following revenues will be available in the E-911 Rescue Fund for the fiscal year beginning July 1, 2009 and ending June 30, 2010.

E-911 Assessments	380,000
	<hr/>
	380,000
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- B. The following amounts are hereby appropriated in the E-911 Rescue Fund for the fiscal year beginning July 1, 2009 and ending June 30, 2010.

E-911 Services	380,000
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	380,000
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Section III: Rescue Districts

- A. It is estimated that the following revenues will be available in the Rescue District Fund for the fiscal year beginning July 1, 2009 and ending June 30, 2010.

Ad Valorem Taxes	2,337,850
Local Option Sales Tax	526,000
Appropriated Fund Balance	12,230
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	2,876,080
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- B. The following amounts are hereby appropriated in the Rescue Districts for the fiscal year beginning July 1, 2009 and ending June 30, 2010.

Beaufort	768,296
Broad & Gales Creek	298,650
Mill Creek	75,040
Mitchell Village	219,628
Otway	175,746
Sea Level	364,800
Western Carteret	-
Sales Tax	526,000
District Reserves	447,920
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	2,876,080
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Section IV: Fire Districts

- A. It is estimated that the following revenues will be available in the Fire District Fund for the fiscal year beginning July 1, 2009 and ending June 30, 2010.

Ad Valorem Taxes	3,597,255
Local Option Sales Tax	807,400
Appropriated Fund Balance	36,465
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	4,441,120
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- B. The following amounts are hereby appropriated in the Fire Districts for the fiscal year beginning July 1, 2009 and ending June 30, 2010.

Atlantic	77,070
Beaufort	236,968
Broad & Gales Creek	202,018
Cedar Island	50,635
Davis	79,801
Harkers Island	294,680
Harlowe	64,300
Marshallberg	185,664
Mill Creek	30,160
Morehead City	293,122
Newport	336,000
North River	63,768
Otway	139,244
Salter Path	38,000
Sea Level	61,059
South River	126,752
Stacy	18,558
Stella	53,618

Western Carteret	-
Wildwood	446,404
Sales Tax	807,400
District Reserves	835,899
	<hr/>
	4,441,120
	<hr/> <hr/>

Section V: Occupancy Tax Fund

- A. It is estimated that the following revenues will be available for the Occupancy Tax Fund for the fiscal year beginning July 1, 2009 and ending June 30, 2010.

Occupancy Tax	4,805,000
Interest	5,000
	<hr/>
	4,810,000
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- B. The following amounts are hereby appropriated in the Occupancy Tax Fund for the fiscal year beginning July 1, 2009 and ending June 30, 2010.

Tourism Development Authority	2,376,000
Transfer to General Fund	2,434,000
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	4,810,000
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Section VI: County Capital Improvements

- A. It is estimated that the following revenues will be available for the County Capital Improvements Fund for the fiscal year beginning July 1, 2009 and ending June 30, 2010.

Appropriated Fund Balance	
Intergovernmental	1,585,775
Transfer from General Fund	100,000
Interest	15,000
	<hr/>
	1,700,775
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- B. The following amounts are hereby appropriated in the County Capital Improvements Fund for the fiscal year beginning July 1, 2009 and ending June 30, 2010.

Aerial Mapping	70,775
Western Park	280,000
Newport Park Development	1,250,000

Water Access - Morehead City Project	100,000
	<u>1,700,775</u>

Section VII: School Special Projects

- A. It is estimated that the following revenues will be available in the School Special Projects Fund for the fiscal year beginning July 1, 2009 and ending June 30, 2010.

Transfer from General Fund	990,800
Interest	25,000
Sales Tax Refund	1,000
Fund Balance	423,860
	<u>1,440,660</u>

- B. The following amounts are hereby appropriated in the School Special Projects Fund for the fiscal year beginning July 1, 2009 and ending June 30, 2010.

Safety & Accessibility	446,550
Building /Campus Safety	37,500
Planned Repairs & Maintenance	96,600
Painting	22,330
Category II Schools	360,000
Category II Band	106,000
Category II Departments	37,000
Technology	334,680
Category III	-
	<u>1,440,660</u>

Section VIII: Water Fund

- A. It is estimated that the following revenues will be available for the Water System Fund for the fiscal year beginning July 1, 2009 and ending June 30, 2010.

Operating Revenues	493,500
Non Operating Revenues	7,500
Contribution from General Fund	170,000
Fund Balance	25,000
	<u>696,000</u>

- B. The following amount is hereby appropriated for the Water System Fund for the fiscal year beginning July 1, 2009 and ending June 30, 2010.

Operations	444,965
Debt Service	251,035
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	696,000
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Section IX:

- A. There is hereby levied a tax at the rate of twenty-three cents (\$.23) per one hundred (\$100) valuation of property listed for taxes as of January 1, 2009, for the purpose of raising the revenue listed as “Current Year Property Tax” in the General Fund section of this Ordinance. This tax rate is based on an estimated total valuation of property for the purpose of taxation of \$19,082,208,746 and an estimated collection rate of 97.90%. This collection rate is based on the collection rate stated in the June 30, 2008 audited financial statements. The motor vehicle tax rate is based on an estimated total valuation of \$582,604,640 and has an estimated collection rate of 88.20%.
- B. A solid waste assessment will be charged on the property tax bill. The amount of the assessment is \$162.00 for households without residential pickup. A solid waste availability fee will be charged in the amount of \$10.00 to all taxable improved parcels. Interest and penalties will accrue on this assessment in the same manner as ad valorem taxes.

Section X:

The County Manager, as Budget Officer, is hereby authorized to transfer appropriations as contained herein to enforce policy under the following conditions:

- a. He may transfer amounts not to exceed \$20,000 between departments of the same fund.
- b. He may not transfer any amounts between funds without the approval of the Board of Commissioners.
- c. He may appropriate no more than \$10,000 from contingency per occurrence with a report being submitted to the Board at the next regularly scheduled meeting. Appropriations in excess of \$10,000 may not be transferred without the approval of the Board of Commissioners.
- d. He may transfer amounts from the merit, fringes, reclassifications, unemployment, insurance, workers compensation, fuel and vehicle contingency line items to the appropriate departments not to exceed the balance in that line item.
- e. He may enter into contracts on behalf of the County in an amount not to exceed \$10,000 per contract in a fiscal year. All other contracts between the county and outside agencies must be approved by the Board of Commissioners.
- f. He may enter into grant agreements except those that require Board of Commissioner approval by the grantor.

Section XI:

The attached Schedule of Fees and the Position Classification and Pay Plan are hereby adopted for the fiscal year beginning July 1, 2009 and ending June 30, 2010.

Section XII:

In accordance with G.S. 115C-429 (b), the following appropriations are made to the Carteret County Board of Education. The budget resolution adopted by the Carteret County Board of Education shall conform to the appropriations set forth in the budget ordinance for current expense and capital outlay. Once adopted, such ordinance shall not be amended without the prior approval of the Board of Commissioners. Current expense will be distributed to the Board of Education in twelve (12) equal monthly installments. Capital outlay is adopted by project as listed in Section VIII. Capital outlay will be distributed on a requisition basis as expenditures are incurred. Documentation of expenditures must be submitted to the Carteret County Finance Office in such form as they prescribe prior to reimbursement.

Current expense is adopted in accordance with N.C.G.S. 115C-433. Current expense funding is adopted at the function level, and in addition, the Board of Commissioners limit transfers between functions to ten percent of the function. Any percentage greater than ten percent requires Board of Commissioner approval. This budget will be amended in July when the Board can breakout the functional level for education as requested by the Board of Education.

<i>Function</i>	<i>Amount</i>
Education	19,005,375
Charter Schools	630,000
Total	19,635,375

Section XIII:

The following appropriations are made to Carteret Community College. The budget ordinance adopted by Carteret Community College shall conform to the appropriations set forth in the budget ordinance for current expense and capital outlay. Current expense will be distributed to Carteret Community College in twelve (12) equal monthly installments. Capital Outlay will be distributed on a requisition basis as expenditures are incurred. Documentation of expenditures must be submitted to the Carteret County Finance Office in such form as they prescribe prior to reimbursement.

Current Expense	2,025,000
Other Capital Outlay	<u>225,000</u>
Total CCC	<u><u>2,250,000</u></u>

Section XIV:

There is hereby levied a special tax for the purpose of raising revenue for Fire Prevention and Rescue Service in the following Fire Districts and Rescue Districts and/or Fire Service Districts and Rescue Service Districts, Rescue Districts / Rescue Service Districts will be distributed its estimated ad valorem tax funds in 1/12 increments each month. The following rates are based on one hundred dollar (\$100) valuation of taxable property as listed January 1, 2009, for each related district.

	Tax Rate
Beaufort Rescue	0.0450
Broad & Gales Creek Rescue	0.0300
Mill Creek Rescue	0.0450
Morehead City Rescue	0.0400
Otway Rescue	0.0300
Sea Level Rescue	0.1200
Western Carteret Rescue	0.0300
Atlantic Township	0.0700
Beaufort Fire District	0.0500
Broad & Gales Creek Fire District	0.0300
Cedar Island Fire District	0.1000
Davis Fire District	0.0900
Harkers Island Fire District	0.0650
Harlowe Fire District	0.0550
Marshallberg Fire District	0.0800
Mill Creek Fire District	0.0450
Morehead	0.0750
Newport Township and West Wildwood Fire District (excluding Town of Newport)	0.0700
North River Fire District	0.0900
Otway Fire District	0.0500
Salter Path Fire District	0.0300
Sea Level Fire District	0.1000
South River Fire District	0.0600
Stacy Fire District	0.0700
Stella Fire District	0.0250
Western Carteret Fire District	0.0400
Wildwood Fire District	0.0600


Section XV:

Salter Path special taxing district for beach nourishment no ad valorem tax is levied for the fiscal year beginning July 1, 2009 and ending June 30, 2010

Section XVI:

Copies of this Budget Ordinance shall be furnished to the Finance Director, County Manager, and Tax Administrator to be kept on file for their direction in the carrying out of their duties.

Adopted This The 22nd Day of June 2009.



Douglas Harris, Chairman
Carteret County Board of Commissioners

CARTERET COUNTY FINANCIAL AND BUDGETARY POLICIES

I. Objectives

- A.** To link long-term financial planning with short-term daily operations and decision making.
- B.** To maintain and improve the County's financial position.
- C.** To maintain and improve the County's credit ratings by meeting or exceeding the requirements of rating agencies through sound financial policies.
- D.** To maintain and increase investor confidence in the County and to provide credibility to the citizens of the County regarding financial operations.
- E.** To comply with the North Carolina Budget and Fiscal Control Act and the policies of the North Carolina Local Government Commission (the "LGC").
- F.** To effectively conduct asset-liability management of the County's balance sheet.

II. Operating Budget

- A. The County's Annual Budget Ordinance will be balanced in accordance with the Local Government Budget and Fiscal Control Act (G.S. 159-8(a)). Budget revenues must equal budgeted expenditures.
- B. The County's Annual Budget Ordinance will be adopted by each July 1 (G.S. 159-13(a)).
- C. Revenue Policy
 1. Ad Valorem Tax – As provided by the North Carolina Budget and Fiscal Control Act, estimated revenue from the Ad Valorem Tax levy will be budgeted as follows:
 - a. Assessed valuation will be estimated based upon historical trends and growth patterns in a conservative manner.
 - b. The estimated percentage of collection will not exceed the actual collection percentage of the preceding fiscal year, in accordance with State law.
 - c. The property tax rate will be set each year based upon the costs of providing general governmental services, meeting debt service obligations and building or maintaining any reserves or fund balances the Board deems necessary.
 2. User Fees – The Board of Commissioners (the “Board”) sets fees that will maximize user charges instead of Ad Valorem Taxes for services that can be individually identified and where costs are directly related to the level of services. This objective is in keeping with the Commissioner’s goal that growth should pay for itself, and not place a burden on current residents who do not use the service.
 - a. Emphasis of user fees results in the following benefits:
 - The burden on the Ad Valorem tax is reduced.
 - User fees are paid by all users, including those exempt from property taxes.
 - User fees help minimize subsidization in any instance where there are requirements in order to qualify for the use of the service and the service is not provided to the general public.
 - User fees produce information on the demand level for services and help to make a connection between the amount paid and the services received.
 3. Interest Income – Interest income is subject to variability based upon changes in prevailing interest rates, which cannot be predicted with certainty. Such revenue shall therefore be budgeted in a conservative manner within the Annual Budget Ordinance and shall comply with section III of this policy regarding Asset – Liability Management.
 4. Grant Funding – Staff will pursue opportunities for grant funding. Application for grant funding will be made after a grant has been evaluated for consistency with the Board’s goals and compatibility with County programs and objectives. Staff must have Board approval to apply for a grant for any amount over \$50,000 and for any grant that requires a local dollar match. All awarded grants can only be accepted by Board action at which time the related budget shall be established.

- a. Grants that have been awarded in prior years and are recurring in nature will be included and addressed through the annual budget process.
- b. Grants that fund operating expenditures but have a funding termination date must fully disclose that fact to the Board prior to acceptance.
- c. The grant manager for each grant shall be the related department head. The grant manager is responsible for all grant monitoring, compliance and reporting. The grant manager will provide copies of all documents to the Finance Department. The Finance Department will maintain a grant file by fiscal year for each active grant.
- d. For grants involving federal funds, the grant manager is responsible for checking the list of federally debarred contractors prior to awarding any contracts.

D. Expenditure Policy

- 1. Expenditure budgets shall be monitored throughout the fiscal year by department heads, the Finance Department and the County Manager. Budget compliance is the responsibility of the department head and the Finance Director.
- 2. Budgeted funds will only be spent for categorical purposes for which they are intended. The annual operating budget ordinance defines staff authorization for operating budget adjustments. Appropriations of debt proceeds will be made only for the purpose for which such debt instrument was issued or for the payment of debt principal and interest. Donations will be spent only toward the intent for which they were given.
- 3. The budgeted expenditures for debt service for any variable rate debt or synthetic variable rate debt will be set to be at least the average of the prior five years.
- 4. For continuing contracts, funds will be appropriated in the annual budget ordinance to meet current year obligations arising under the contract, in accordance with G.S. 160A-17.
- 5. Payroll will be processed in accordance with the requirements of the Fair Labor Standards Act. Overtime and benefit payments will be made in accordance with the County's Personnel Ordinance.
- 6. The County will fund current expenditures with current resources and will strive to avoid balancing budgets utilizing one-time revenues.

E. Reserve Policy

- 1. In accordance with State statute, appropriated fund balance in any fund will not exceed the sum of cash and investments less the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts.
- 2. The County will maintain a General Fund unreserved and undesignated fund balance that exceeds the minimum eight percent (8%) required by the LGC. For a County our size, a recommended goal of fifteen percent (15%) should be maintained for the following purposes.
 - a. Purpose of Reserve: These funds will be used to avoid cash flow interruptions, generate interest income, eliminate the need for short term borrowing, assist in maintaining an investment grade bond rating, and sustain operations during unanticipated emergencies and disasters.
 - b. Reserve Drawdowns: The fund balance may be purposefully drawdown below the target percentage for emergencies. Fund

balance percentages in excess of 19% may be drawdown for nonrecurring expenditures, or major capital projects.

- c. Reserve Replenishment: If the fund balance falls below the target percentage for two consecutive fiscal years, the County will replenish funds by direct appropriation beginning in the following fiscal year. In that instance, the County will annually appropriate 25% of the difference between the target percentage level and the actual balance until the target level is met. In the event appropriating 25% is not feasible, the County will appropriate a lesser amount and shall reaffirm its commitment to fully replenish the fund balance over a longer period of time.
3. If the County enters into a swap agreement and incurs the risk of a potential swap termination payment, or if the County issues some form variable rate debt, the County will create a termination/hedge reserve within the General Fund, or for termination payment risk, the County may instead obtain a non-reimbursable insurance policy for swap termination payments from a 'AAA' or 'AA' rated monoline bond insurer.
 - a. Possible sources of funds for a termination/hedge reserve are:
 - A temporary drawdown of the unreserved and undesignated General Fund balance; or
 - The amount that budgeted debt service exceeds actual debt service expenditures per Section II.E.3.

III. Asset-Liability Management

- A. The County will seek to incorporate coordinated investment and debt structuring decisions with the goal of such coordination being to use each side of the balance sheet to mitigate, or hedge, cash flow risks posed by the other side of the balance sheet.
- B. The County considers short-term investments to be effective hedges to variable rate debt because movements in interest rates should have offsetting impacts upon both.
 1. Given the prevalent patterns of business, economic and interest rate cycles, the County's policy will be to strive to match temporary increases in interest income to temporary increases in interest expense through the use of variable rate debt or synthetic variable rate debt.
 2. This policy recognizes that variable rate debt generally offers lower interest costs and that the use of higher interest income to offset higher interest expense is preferable to creating a budget imbalance due to reliance upon temporarily increased interest income.
- C. The General Fund balance reserved for said purpose and/or the General Fund unreserved and undesignated fund balance shall be the source of funds for any potential swap termination payments. Adequate liquidity shall be maintained in the pooled investment portfolio to provide liquidity for any potential swap termination payments.
- D. The Finance Director is designated to monitor and report on financial market conditions and their impact on performance of debt, investments, and any interest rate hedging products implemented or under consideration.
- E. The Finance Director is designated as the individual responsible for negotiating financial products and coordinating investment decisions for debt structure. The Finance Director is designated as the individual responsible for recommending debt structure to the Board.

- F. The County shall incorporate the use of variable rate debt or synthetic variable rate debt, as allowed by the Debt Management Section of the LGC, into its debt structure. Unhedged variable or synthetic variable rate debt shall not exceed 20% of the County's total, non-Utility debt outstanding.

IV. Capital Improvements Policy

A. Capital Improvements Plan

1. The County will update and readopt annually a five-year capital improvements plan (CIP) which projects capital needs and details the estimated costs, description and anticipated funding sources for capital projects.
2. The annual update of the CIP will be conducted in conjunction with the annual operating budget process.
3. The first year of the five-year CIP will be the basis of formal fiscal year appropriations during the annual budget process.
4. The CIP will generally address those capital assets with a value of \$50,000 or more and a useful life of five years or more.
5. The County expects to see new capital items generally first appear in the last year of the CIP.
6. The County acknowledges pay-as-you-go financing as a significant capital financing source, but will ultimately determine the most appropriate financing structure for each capital project on an individual basis after examining all relevant factors of the project.

B. Five Year School Capital Improvements Plan

1. The County requires an annual update from the Carteret County Board of Education of its five year capital improvements plan. The County fully expects to see all new capital projects first appear in the fifth year of the school plan unless dictated otherwise by State or federal mandates or new sources of funds, such a State bond issue for local construction.

C. Fixed Assets

1. The capitalization threshold for fixed assets shall be \$5,000. The threshold will be applied to individual fixed assets and not to groups of fixed assets. Fixed assets will only be capitalized if they have a useful life of at least two years following the date of acquisition. A physical inventory of capitalized fixed assets will be performed, either simultaneously or on a rotating basis, so that all fixed assets are physically accounted for at least once every four years.

V. Debt Policy

- A. Debt will only be incurred for financing capital assets that, because of their long-term nature or because of budgetary restraints, cannot be acquired from current or budgeted resources. Debt will not be used for operational needs. Debt financing can include general obligation bonds, revenue bonds, certificates of participation, lease/purchase agreements, special obligation bonds, or any other financing instrument allowed under North Carolina law.
- B. The County will seek to structure debt and to determine the best type of financing for each financing need based on the flexibility needed to meet project needs, the timing of the project, taxpayer or rate payer equity, and the structure that will provide the lowest interest cost in the circumstances.
- C. Debt financing will be considered in conjunction with the approval by the Board of the County's CIP. Debt financing will also be considered in the Board's review of the Five Year School Capital Plan.
- D. Capital projects financed through the issuance of bonds, installment financings or lease financings will be financed for a period not to exceed the expected useful life of the project.
 - 1. Non-Utility debt will normally have a term of 25 years or less.
 - 2. Utility (Water) debt will normally have a term of 25 years or less. In no instance will the term of Utility debt exceed 30 years.
- E. The County will strive to maintain a high level of pay-as-you-go financing for its capital improvements.
- F. Debt Affordability
 - 1. The net debt of the County, as defined in G.S. 159-55, is statutorily limited to eight percent of the assessed valuation of the taxable property within the County. The County will utilize a self-imposed ceiling of 4%.
 - 2. The County will strive to achieve amortization of 60% or more of its non-Utility debt principal within ten years.
- G. The County will seek to structure debt in the best and most appropriate manner to be consistent with section III of this policy regarding Asset – Liability Management.
- H. Whereas the minimum coverage ratio for County's outstanding revenue bonds is 1.20 times, upon the calculation of a coverage ratio for any Utilities System Revenue Bonds which is below 1.5 times (Net Revenues as defined by the General Indenture, but excluding cash receipts from special assessments, over Debt Service as defined by the General Indenture), the Finance Director will notify the Board of such. Within three months of such notification, the Finance Director will again report to the Board and will have performed the necessary internal study to advise the Board on the actions necessary to restore the coverage ratio to above 1.5 times. This policy is intended to ensure that all reasonable steps necessary are taken to begin the process of reviewing water revenues and rates well before the coverage ratio for outstanding revenue bonds could reach the minimum level of 1.20 times.
- I. The County will seek to employ the best and most appropriate strategy to respond to a declining interest rate environment. That strategy may include, but does not have to be limited to, delaying the planned issuance of fixed rate debt, examining the potential for refunding of outstanding fixed rate debt, and the issuance of variable rate debt. The County will seek to employ the best and most appropriate strategy to respond to an increasing interest rate environment. That strategy may include, but does not have to be limited to, the issuance of variable rate debt (an historically lower

interest cost), the use of a forward starting variable to fixed swap, and the use of forward delivery fixed rate debt.

- J. The County will monitor the municipal bond market for opportunities to obtain interest rate savings by refunding by forward delivery, currently refunding or advance refunding outstanding debt. The estimation of net present value savings for a traditional fixed rate refunding should be, at a minimum, in the range of 2.5% to 3% of the refunded maturities before a refunding process begins. The estimation of net present value savings for a synthetic fixed rate refunding should be, at a minimum, in the range of 5% to 6% of the refunded maturities before a refunding process begins.
- K. The County will strive for the highest possible bond ratings in order to minimize the County's interest costs.
- L. The County will normally obtain three debt ratings (Fitch Ratings, Moody's, Standard & Poor's) for all publicly sold debt issues.
- M. While some form of outstanding debt exists, the County will strive to have a portion of that debt in the form of general obligation debt.
- N. For all years that the County has greater than \$50 million of publicly sold debt outstanding, the County will provide annual information updates to each of the debt rating agencies.
- O. The County will use the Comprehensive Annual Financial Report (the "CAFR") as the disclosure document for meeting its obligation to provide certain annual financial information to the secondary debt market via various information repositories. The annual disclosure is a condition of certain debt covenants and contracts that are required by SEC Rule 15c2-12.

The County recognizes the significance of the debt portfolio and the need for the ability to properly manage and maintain that portfolio. The Finance Director will maintain a current database of all debt.

VI. Accounting, Auditing and Financial Reporting

- A. The County will maintain accounting systems in compliance with the North Carolina Local Government Budget and Fiscal Control Act. The County will maintain accounting systems that enable the preparation of financial statements in conformity with generally accepted accounting principals (GAAP).
 - 1. The basis of accounting within governmental funds will be modified accrual.
 - 2. The basis for accounting within all Enterprise and Internal Service Funds will be the accrual basis.
- B. Financial systems will be maintained to enable the continuous monitoring of revenues and expenditures or expenses with complete sets of monthly reports provided to the Board, the County Manager, the Finance Director and the Assistant Finance Director. Monthly expenditure/expense reports will be provided to each director and department head for their functional area and online, real time, view only, access to the financial system will be made available to department heads and other staff as much as practical and its use encouraged.
- C. The County will place emphasis on maintenance of an accounting system which provides strong internal budgetary and financial controls designed to provide reasonable, but not absolute, assurance regarding both the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and reports, as well as the accountability of assets.

- D. An annual audit will be performed by an independent certified accounting firm which will issue an opinion on the annual financial statements as required by the Local Government Budget and Fiscal Control Act.
- E. The Finance Department will conduct some form of internal audit procedures at least one time per year, specifically focusing upon cash receipts procedures.
- F. The County will prepare a CAFR. The CAFR will be prepared in compliance with established criteria to obtain the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting and will be submitted to that award program each year.
- G. Full and complete disclosure will be provided in all regulatory reports, financial statements and debt offering statements.
- H. The County will use the CAFR as the disclosure document for meeting its obligation to provide certain annual financial information to the secondary debt market via various information repositories. The annual disclosure is a condition of certain debt covenants and contracts that are required by SEC Rule 15c2-12.

VII. Cash Management Policy

A. Receipts

- 1. Cash receipts will be collected as expediently as reasonably possible to provide secure handling of incoming cash and to move these moneys into interest bearing accounts and investments.
- 2. All incoming funds will be deposited daily as required by State law.
- 3. The Finance Director is responsible for conducting at least two random or risk based internal audits of cash receipting locations per fiscal year.

B. Cash Disbursements

- 1. The County's objective is to retain monies for investment for the longest appropriate period of time.
- 2. Disbursements will be made timely in advance of or on the agreed-upon contractual date of payment unless earlier payment provides greater economic benefit to the County.
- 3. Inventories and supplies will be maintained at minimally appropriate levels for operations in order to increase cash availability for investments purposes.
- 4. Dual signatures are required for County checks. Electronic signature of checks is approved.

VIII. Investment Policy

A. Policy

- 1. It is the policy of the County to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow requirements of the County and conforming to all State statutes governing the investment of idle funds.

B. Scope

- 1. This investment policy applies to all financial assets of the County except authorized petty cash, trust funds administered by the Social Services Director, and debt proceeds, which are accounted for and invested separately from pooled cash. The County pools the cash resources of its

various funds into a single pool in order to maximize investment opportunities and returns. Each fund's portion of total cash and investments is tracked by the financial accounting system.

C. Prudence

1. The standard of prudence to be used by authorized staff shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence would exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.
2. Authorized staff acting in accordance with procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy.

D. Authorized Staff

1. G.S. 159-25(a)6 delegates management responsibility for the investment program to the Finance Director. The Finance Director will establish and maintain procedures for the operation of the investment program which are consistent with this policy. Such procedures will include delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Finance Director. The Finance Director will be responsible for all transactions undertaken and will establish and maintain a system of controls to regulate the activities of subordinates.
2. In the absence of the Finance Director and those to which he or she has delegated investment authority, the County Manager is authorized to execute investment activities.

E. Objectives

1. The County's objectives in managing the investment portfolio, in order of priority, are safety, liquidity, and yield.
 - a. Safety
 - Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To best mitigate against credit risk (the risk of loss due to the failure of the security issuer) diversification is required. To best mitigate against interest rate risk (the risk that changes in interest rates will adversely affect the market value of a security and that the security will have to be liquidated and the loss realized) the second objective, adequate liquidity, must be met.
 - b. Liquidity
 - The investment portfolio shall remain sufficiently liquid to meet all operating and debt service cash requirements that may be reasonably anticipated.

The portfolio will be structured so that securities mature concurrent with cash needs (static liquidity), with securities with an active secondary market (dynamic liquidity), and with deposits and investments in highly liquid money market and mutual fund accounts.

c. Yield

- The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary, economic and interest rate cycles, taking into account investment risk constraints and liquidity needs.

F. Ethics and Conflicts of Interest

1. Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose to the County Manager any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial or investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individuals with whom business is conducted on behalf of the County.

G. Authorized Financial Dealers and Financial Institutions

1. The Finance Director will maintain a list of financial institutions that are authorized to provide investment services. Authorized financial institutions will be selected by credit worthiness and must maintain an office in the State of North Carolina. These may include “primary” dealers or regional dealers that qualify under SEC Rule 15C3-1 (uniform net capital rule).
 - a. Any financial institutions and broker dealers that desire to become qualified to conduct investment transactions with the County must supply the Finance Director with the following:
 - Audited financial statements;
 - Proof of National Association of Securities Dealers certification;
 - Proof of State registration; and
 - Certification of having read the County’s investment policy.
 - b. Any previously qualified financial institution that fails to comply or is unable to comply with the above items upon request will be removed from the list of qualified financial institutions.
 - c. The Finance Director shall have discretion in determining the number of authorized financial institutions and may limit that number based upon the practicality of efficiently conducting the investment program. The Finance Director shall also have the discretion to add or remove authorized financial institutions based upon potential or past performance.

H. Internal Control

1. The Finance Director is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the entity are

protected from loss, theft, or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and that the valuation of costs and benefits requires the use of estimates and judgments by management.

I. Collateralization

1. Collateralization is required for certificates of deposit. North Carolina General Statutes allow the State Treasurer and the Local Government Commission to prescribe rules to regulate the collateralization of public deposits in North Carolina banks. These rules are codified in the North Carolina Administrative Code – Title 20, Chapter 7 (20 NCAC 7). The Pooling Method of collateralization under 20 NCAC 7 allows depositories to use an escrow account established with the State Treasurer to secure the deposits of all units of local government. This method transfers the responsibility for monitoring each bank’s collateralization and financial condition from the County to the State Treasurer. The County will only maintain deposits with institutions using the Pooling Method of collateralization.

J. Delivery and Custody

1. All investment security transactions entered into by the County shall be conducted on a delivery versus payment basis. Securities will be held by a third party custodian designated by the Finance Director and each transaction will be evidenced by safekeeping receipts and tickets.

K. Authorized Investments

1. The County is empowered by North Carolina G.S. 159-30(c) to invest in certain types of investments. The Board of Commissioners approves the use of the following investment types, the list of which is more restrictive than G.S. 159-30(c):
 - a. Obligations of the United States or obligations fully guaranteed as to both principal and interest by the United States.
 - b. Obligations of the Federal Financing Bank, the Federal Farm Credit Bank, the Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Housing Administration, and the United States Postal Service.
 - c. Obligations of the State of North Carolina.
 - d. Bonds and notes of any North Carolina local government or public authority that is rated “AA” or better by at least two of the nationally recognized ratings services or that carries any “AAA insured” rating.
 - e. Fully collateralized deposits at interest or certificates of deposit with any bank, savings and loan association or trust company that utilizes the Pooling Method of collateralization (section VIII.I).
 - f. Prime quality commercial paper bearing the highest rating of at least one nationally recognized rating service, which rates the particular obligation.
 - g. Banker’s acceptance of a commercial bank or its holding company provided that the bank or its holding company is either (i) incorporated in the State of North Carolina or (ii) has outstanding publicly held obligations bearing the highest rating of at least one nationally recognized rating service and not bearing a rating below

- c. At least 95% of the investment portfolio will have maturities of no more than 10 years from the date of purchase.
- d. No investments maturing more than 12 years from the date of purchase may be purchased.
- e. For purposes of this section, for any variable rate demand obligation, the purchase date is considered to be the last reset and remarketing date and the maturity date is considered to be the next reset and remarketing date.
- f. If any change is made to the County's policy for unreserved and undesignated fund balance in the General Fund (section II.E.2), then sections VIII.M.2.a-e of this policy must be concurrently revised.

N. Selection of Securities

- 1. The Finance Director or his or her designee will determine which investments shall be purchased and sold and the desired maturity date(s) that are in the best interest of the County. The selection of an investment will involve the evaluation of, but not limited to, the following factors: cash flow projections and requirements; current market conditions; and overall portfolio balance and makeup.

O. Responses to Changes in Short Term Interest Rates

- 1. The County will seek to employ the best and most appropriate strategy to respond to a declining short term interest rate environment. The strategy may include, but does not have to be limited to, purchases of callable "cushion" bonds, lengthening of maturities in the portfolio, and increases in the percentage of ownership of treasury notes relative to that of treasury bills.
- 2. The County will seek to employ the best and most appropriate strategy to respond to an increasing short term interest rate environment. That strategy may include, but does not have to be limited to, purchases of "step-up" securities, shortening of maturities in the portfolio, the use of floating rate investments, and increases in the percentage of ownership of treasury bills relative to that of treasury notes.

P. Performance Standards

- 1. The investment portfolio will be managed in accordance with the parameters specified within this policy. The investment portfolio will strive to obtain a market average rate of return within the constraints of the County's investment risk profile and cash flow needs.
- 2. The performance benchmarks for the performance of the portfolio will be rates of return on 90 day commercial paper and on three year treasury notes.

Q. Active Trading of Securities

- 1. It is the County's intent, at the time of purchase, to hold all investments until maturity to ensure the return of all invested principal. However, if economic or market conditions change making it in the County's best interest to sell or to trade a security before maturity, that action may be taken.

R. Pooled Cash and Allocation of Interest Income

- 1. All moneys earned and collected from investments other than bond proceeds will be allocated monthly to the various participating funds and component units based upon the average cash balance of each fund and component unit as a percentage of the total pooled portfolio. Earnings on bond proceeds will be directly credited to the same proceeds.

S. Marking to Market

1. A report of the market value of the portfolio will be generated at least semi-annually by the Finance Director. The Finance Director will use the reports to review the investment portfolio in terms of value and price volatility, as well as for compliance with GASB Statement #31.

IX. Swap Policy

A. Definitions

1. “*County*” means the County of Carteret, North Carolina.
2. “*County Manager*” means the person from time to time serving as the county manager of the County.
3. “*Finance Director*” means the person from time to time serving as the responsible finance officer of the County.
4. “*Swap Agreement*” shall mean a written contract entered into with an acceptable counterparty in connection with debt issued or to be issued by or behalf of the County in the form of a rate swap agreement, basis swap, forward rate agreement, interest rate option agreement, rate cap agreement, rate floor agreement, rate collar agreement or other similar agreement, including any option to enter into or terminate any of the foregoing or any combination of such agreements.

B. The Conditions Under Which Swap Agreements May Be Entered Into

1. Purposes

- a. The County may use a Swap Agreement for the following purposes only:

- To achieve significant savings as compared to a product available in the traditional cash market.
- To enhance investment returns within prudent risk guidelines.
- To prudently hedge risk in the context of a particular financing or the overall asset/liability management of the County.
- To incur variable rate exposure, such as selling interest rate caps or entering into a swap in which the County’s payment obligation is floating rate.
- To achieve more flexibility in meeting the County’s overall financial objectives than can be achieved in conventional markets.

2. Legality

- a. The Board must receive an opinion acceptable to the market from a nationally recognized bond counsel law firm acceptable to the County Manager and to the Finance Director that the Swap Agreement is a legal, valid and binding obligation of the County and entering into the transaction complies with applicable law.
- b. The County will inform the Debt Management Section of the LGC of any potential Swap Agreement. The County will review the proposed Swap Agreement with the staff of the LGC and will obtain LGC staff approval, or if determined to be required by the LGC staff, obtain approval of the LGC prior to the execution of any Swap Agreement.

- c. The failure of the County to comply with any provision of this policy will not invalidate or impair any Swap Agreement.
 - 3. Speculation
 - a. The County may not use a Swap Agreement for speculative purposes. Associated risks will be prudent risks that are appropriate for the County to assume.
 - 4. Financial Advisor
 - a. The County shall contract for the services of a Financial Advisor for every swap transaction contemplated.
- C. Aspects of Risk Exposure Associated with Such Contracts
 - 1. Before entering into a Swap Agreement, the County shall evaluate all the risks inherent in the transaction. The evaluation shall be in written form and shall be presented to the governing Board. The risks to be evaluated should include counterparty risk, termination risk, collateral posting risk, rollover risk, basis risk, tax event risk and amortization risk.
 - 2. The County shall endeavor to diversify its exposure to counterparties. To that end, before entering into a transaction, it should determine its exposure to the relevant counterparty or counterparties and determine how the proposed transaction would affect the exposure. The exposure should not be measured solely in terms of notional amount, but rather how changes in interest rates would affect the County's exposure.
- D. Counterparty Selection Criteria
 - 1. The County may enter into a Swap Agreement if the counterparty has at least two long-term unsecured credit ratings in at least the double A category from Fitch, Moody's, or S&P and the counterparty has demonstrated experience in successfully executing Swap Agreements. The County may enter into a Swap Agreement if the counterparty has at least two long-term unsecured credit ratings in the single A category or better from Fitch, Moody's, or S&P only if the counterparty has demonstrated experience in successfully executing Swap Agreements and if (a) the counterparty either provides a guarantor or assigns the agreement to a party meeting the rating criteria in the preceding sentence, or (b) the counterparty collateralizes the Swap Agreement in accordance with the criteria set forth in this Policy and the transaction documents.
 - 2. If the ratings of the counterparty, or if secured, the entity unconditionally guaranteeing its payment obligations, do not satisfy the requirements of the Counterparty Selection Criteria ('AA') at execution of the swap or at any time subsequent to the execution of the swap, then the obligations of the counterparty must be fully and continuously collateralized by direct obligations of, or obligations the principal and interest on which are guaranteed by, the United States of America and such collateral must be deposited with a financial institution serving as a custodial agent for the County.
- E. Methods By Which A Swap Agreement Is To Be Procured
 - 1. *Negotiated Method.* The County may procure a Swap Agreement by a negotiated method under the following conditions:
 - a. The Finance Director makes a determination that, due to the size and complexity of a particular swap, a negotiated transaction would result in the most favorable pricing and terms; or

- b. The Finance Director makes a determination that a proposed derivative embedded within a refunding debt issue meets the County's saving's target; and
- c. The County receives a certification from a financial institution or financial advisor that the terms and conditions of the Swap Agreement provide the County a fair market value as of the date of its execution in lights of the facts and circumstances.

2. *Competitive Method*

- a. The County may also procure a Swap Agreement by competitive bidding. The competitive bid may limit the number of firms solicited to no fewer than three. The County may determine which parties it will allow to participate in a competitive transaction. In situations in which the County would like to achieve diversification of counterparty exposure, the County may allow a firm or firms not submitting the bid that produces the lowest cost to match the lowest bid. The parameters for the bid must be disclosed in writing to all potential bidders.

F. Long-Term Implications

- 1. In evaluating a particular transaction involving the use of a Swap Agreement, the County shall review long-term implications associated with entering into the Swap Agreements, including costs of borrowing, historical interest rate trends, variable rate capacity, credit enhancement capacity, opportunities to refund related debt obligations and other similar considerations.

G. Swap Agreements To Be Reflected In The County's Financial Statements

- 1. The County shall disclose and reflect the use of Swap Agreements in its financial statements in accordance with generally accepted accounting principles.

H. Management Review of Swaps

- 1. A written annual management review of swap agreements shall be prepared by the Finance Director and submitted to the County Manager.
- 2. Valuation of swap agreements shall be conducted semi-annually by the Finance Director and submitted to the County Manager.

I. Termination Payments

- 1. If the County enters into a swap agreement and incurs the risk of a potential swap termination payment, or if the County issues some form variable rate debt, the County will create a termination/hedge reserve within the General Fund, or for termination payment risk, the County may instead obtain a non-reimbursable insurance policy for swap termination payments from a 'AAA' or 'AA' rated monoline bond insurer.
- 2. The County shall also seek to negotiate a "term-out" provision for any potential termination payment which will make the termination payment payable over a five year period.

X. Review and Revision

- A. The County will formally review this set of financial and budgetary policies at least once every three years.

Carteret County, North Carolina
Property Tax Levies & Collections (1)(2)
Last Ten Fiscal Years

Fiscal Year Ended	Total Tax Levy (1)(2)	Collections of Current Levy	Percent of Current Taxes Collected	Collections of Prior Levy	Total Property Taxes Collected	Ratio of		
						Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes to Tax Levy	
2000	\$29,627,049	\$28,576,260	96.45%	\$589,834	\$29,166,094	98.45%	\$2,050,775	6.93%
2001	28,773,869	27,734,112	96.39%	794,819	28,528,931	99.15%	1,895,967	6.59%
2002	31,719,329	30,443,658	95.98%	960,370	31,404,028	99.01%	2,766,862	8.73%
2003	30,970,996	29,898,714	96.54%	1,223,876	31,122,590	100.49%	2,235,082	7.22%
2004	32,140,548	31,217,821	97.13%	1,044,755	32,262,576	100.38%	2,097,864	6.53%
2005	33,055,435	32,055,875	97.03%	943,884	32,999,759	99.84%	2,136,144	6.46%
2006	34,397,167	33,517,698	97.44%	976,114	34,493,812	100.26%	2,042,240	5.94%
2007	37,884,578	36,909,457	97.43%	795,452	37,704,909	99.53%	1,956,681	5.16%
2008	43,256,103	42,240,730	97.65%	814,778	43,055,508	99.54%	2,003,494	4.63%
2009*	43,766,299	42,486,645	97.08%	1,031,129	43,517,774	99.43%	2,292,622	5.24%

Notes:

(1) Includes General and Special Revenue Funds fiscal years 2000; fiscal years 2001 and forward include General Fund.

(2) Does not include reimbursement in-lieu-of taxes and Senior Citizens Exemptions

* FY 2009 is projected

**Carteret County, North Carolina
Ten Largest Taxpayers
June 30, 2009**

Name of Taxpayer	Type of Enterprise	Assessed Valuation	Percent of Total Assessed Valuation
Bogue Watch LLC	Real Estate	\$88,448,474	0.4635%
Open Grounds Farm, Inc.*	Farm	52,160,743	0.2733%
Carteret-Craven Electric Memb. Corp.	Utility	48,319,221	0.2532%
Progress Energy	Utility	40,474,961	0.2121%
Goose Creek Landing HOA	Real Estate	33,632,383	0.1762%
Carolina Telephone	Utility	33,041,461	0.1732%
GR&S Atlantic Beach Ltd	Hotel	28,568,352	0.1497%
Atlantic Veneer Corp	Manufacturing	24,479,009	0.1283%
Pazon M Holz	Real Estate	23,874,483	0.1251%
Block 39 LLC	Real Estate	23,500,000	0.1232%
		\$396,499,087	2.0778%

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**Carteret County, North Carolina
General Fund Balance Position at June 30
Last Ten Fiscal Years**

<u>Fiscal Year Ended June 30</u>	<u>Reserved for State Statute</u>	<u>Reserve for Prepaid Expenses</u>	<u>Reserved for Sheriff Fund</u>	<u>Reserved for Debt Service</u>	<u>Reserved for Recreation Districts</u>	<u>Reserved for Health Programs</u>
1999	\$ 3,164,347	\$ -	\$ 29,306	\$ 1,076,521	\$ 57,520	\$ 492,733
2000	4,196,235	-	26,194	1,488,357	72,410	529,407
2001	3,943,495	-	82,081	1,079,234	51,368	450,339
2002	429,812	-	53,256	1,090,339	56,317	546,735
2003	3,597,460	-	37,620	107,643	58,047	572,992
2004	4,559,818	-	35,085	-	61,462	863,342
2005	5,407,652	-	49,755	-	62,739	934,948
2006	5,245,544	-	24,161	-	55,053	1,081,508
2007	5,441,376	-	39,116	-	88,593	1,177,309
2008	6,058,268	92,056	61,376	-	88,665	1,135,530
2009*	6,020,000	-	-	-	89,000	975,000

*Note: FY 2009 is projected

<u>Reserved for Register of Deeds</u>	<u>Reserved for Beach Nourishment</u>	<u>Designated for Subsequent Years' Expenditures</u>	<u>Undesignated</u>	<u>Total Fund Balance</u>	<u>General Fund Expenditures</u>	<u>Undesignated Fund Balance Percentage of General Fund Expenditures</u>
\$ -	\$ -	\$ 2,845,617	\$ 5,722,097	\$13,388,141	\$ 43,364,081	13.20%
-	-	3,386,473	6,448,978	16,148,054	51,423,086	12.54%
-	-	373,393	6,196,087	12,175,997	55,389,112	11.19%
32,248	319,080	150,000	7,731,989	14,009,776	53,767,622	14.38%
132,889	502,684	659,590	9,809,415	15,478,340	57,478,340	16.93%
167,528	890,063	694,536	12,054,667	19,326,501	55,198,597	21.84%
113,479	1,340,869	1,230,000	14,115,874	23,255,316	57,432,472	24.58%
190,045	2,040,923	825,000	18,814,243	28,276,477	60,411,356	31.14%
251,440	4,023,290	155,000	21,917,920	33,094,044	65,214,889	33.61%
293,368	5,996,952	720,000	23,152,988	37,599,205	71,253,900	32.49%
330,000	7,665,000	-	23,000,000	38,079,000	80,000,000	28.75%

Carteret County, North Carolina
Property Tax Rates - Direct and Underlying Governments
(Per \$100.00 of Assessed Value)
Last Ten Fiscal Years

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<i>Municipalities</i>										
Carteret County	0.5100	0.4400	0.4200	0.4200	0.4200	0.4200	0.4400	0.2300	0.2300	0.2300
Atlantic Beach	0.2900	0.2100	0.2300	0.2300	0.2300	0.2300	0.2600	0.1500	0.1250	0.1250
Beaufort	0.3850	0.3400	0.3600	0.3600	0.3800	0.3800	0.3800	0.1900	0.2200	0.2200
Bogue	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
Cape Carteret	0.2600	0.2300	0.2300	0.2300	0.2300	0.2300	0.2300	0.1550	0.1550	0.1400
Cedar Point	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0550
Emerald Isle	0.1950	0.1750	0.1850	0.1750	0.1650	0.1550	0.1550	0.0670	0.0700	0.0700
Indian Beach	0.1700	0.1600	0.1600	0.1600	0.0900	0.1000	0.1000	0.0600	0.1100	0.1400
Morehead City	0.4000	0.3800	0.3800	0.3800	0.3800	0.3800	0.3800	0.2200	0.2200	0.2200
Newport	0.4500	0.4300	0.4300	0.4300	0.4300	0.4300	0.4000	0.2700	0.2900	0.3100
Pelittier	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
Pine Knoll Shores	0.1600	0.1600	0.1700	0.1800	0.1800	0.1800	0.1800	0.0800	0.1150	0.1150
<i>Fire Districts</i>										
Atlantic	0.0500	0.0400	0.0550	0.0650	0.0650	0.0650	0.0650	0.0700	0.0700	0.0700
Atlantic Beach ¹	0.1000	0.1000	-	-	-	-	-	-	-	-
Beaufort	0.0600	0.0500	0.0600	0.0600	0.0600	0.0700	0.0550	0.0300	0.0350	0.0350
Broad & Gales Creek	0.0400	0.0350	0.0400	0.0400	0.0400	0.0400	0.0550	0.0450	0.0450	0.0450
Cedar Island	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
Davis	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.0850	0.0900	0.0900
Harkers Island	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0400	0.0400	0.0400
Harlowe	0.0550	0.0550	0.0550	0.0550	0.0550	0.0550	0.0550	0.0450	0.0450	0.0450
Marshallberg	0.0700	0.0600	0.0700	0.0700	0.0700	0.0700	0.0700	0.0850	0.0850	0.0850
Mill Creek	0.0700	0.0550	0.0550	0.0550	0.0550	0.0550	0.0550	0.0450	0.0450	0.0450
Morehead	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0900	0.0750	0.0750
Newport	0.0600	0.0550	0.0700	0.0800	0.0800	0.0800	0.0800	0.0400	0.0700	0.0700
North River	0.0900	0.0700	0.0750	0.0750	0.0750	0.0750	0.0750	0.0450	0.0450	0.0450
Otway	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0250	0.0500	0.0500
Salter Path	0.0500	0.0500	0.0500	0.0500	0.0500	0.0600	0.0700	0.0300	0.0300	0.0300
Sea Level	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
South River/ Merrimon	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0550	0.0350	0.0350
Stacy	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0600	0.0700	0.0700
Stella	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0250	0.0200	0.0200
Western Carteret	0.0550	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0400	0.0400	0.0400
Wildwood	0.0600	0.0500	0.0800	0.0800	0.0950	0.0950	0.0950	0.0450	0.0600	0.0600
<i>Rescue Districts</i>										
Beaufort	0.0450	0.0400	0.0550	0.0550	0.0550	0.0550	0.0600	0.0250	0.0400	0.0400
Broad & Gales Creek	0.0200	0.0200	0.0350	0.0450	0.0550	0.0750	0.0750	0.0350	0.0350	0.0350
Mill Creek	0.0100	0.0100	0.0200	0.0200	0.0200	0.0200	0.0200	0.0450	0.0450	0.0450
Morehead City	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0250	0.0400	0.0400
Otway	0.0600	0.0450	0.0550	0.0550	0.0550	0.0550	0.0550	0.0300	0.0300	0.0300

Sea Level	0.1000	0.1375	0.1675	0.1675	0.1675	16.7500	0.1675	0.1200	0.1200	0.1200
Western Carteret	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0300	0.0300	0.0300
<i>Beach Nourishment Districts</i>										
Salter Path ²			0.4300	0.4300	0.4300	0.4300	0.4300	0.0000	0.0000	0.0000
Indian Beach Non Ocean Front ²			0.0500	0.0500	0.0200	0.0200	0.1200	0.0200	0.0100	0.0100
Indian Beach Ocean Front ²			0.4800	0.4800	0.2200	0.2200	0.3200	0.2200	0.0100	0.0100
Emerald Isle Non Ocean Front ²			0.0300	0.0300	0.0300	0.0300	0.1850	0.0110	0.0110	0.0110
Emerald Isle Ocean Front ²			0.4800	0.4800	0.4800	0.4800	0.6350	0.1620	0.1620	0.1620
Pine Knoll Shores Non Ocean Front ³				0.0600	0.0600	0.0600	0.2400	0.0264	0.0160	0.0160
Pine Knoll Shores Ocean Front ⁴				0.4200	0.4200	0.4200	0.6000	0.1727	0.1050	0.1050

Notes:

2002 & 2008 are revaluation years

¹Annexed by Town of Atlantic Beach 2002

²First Year Tax District 2003

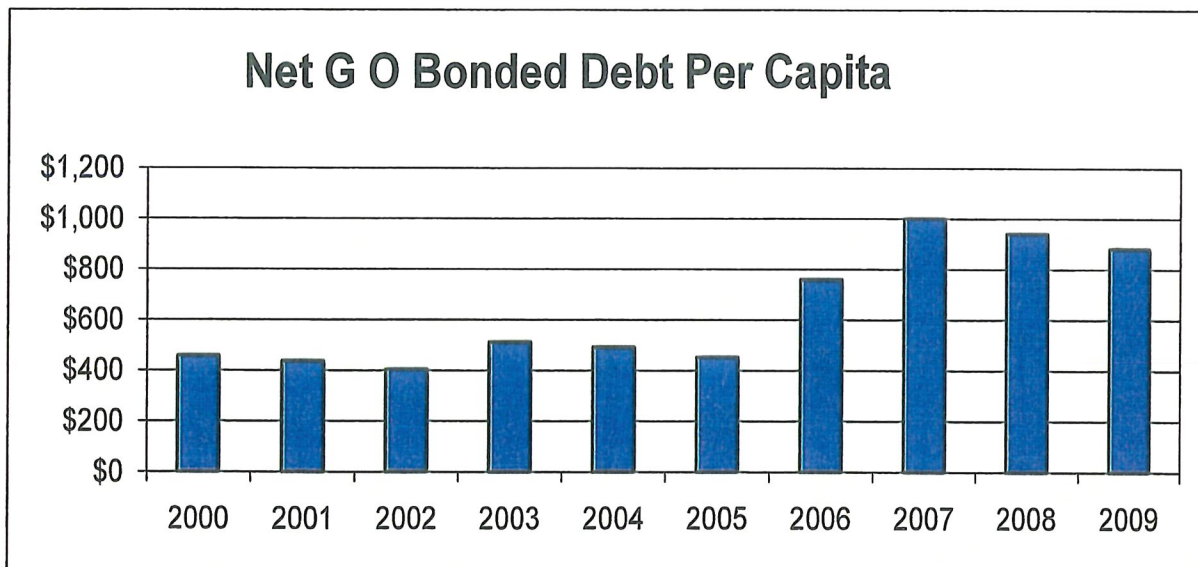
³First Year Tax District 2004

Carteret County, North Carolina
Ratio of General Obligation Debt to Assessed Value
& General Obligation Bonded Debt Per Capita
Last Ten Fiscal Years

<u>Fiscal Year</u> <u>Ended June 30</u>	<u>Assessed Value</u>	<u>Net General</u> <u>Obligation</u> <u>Bonded Debt</u>	<u>Ratio of net</u> <u>General</u> <u>Obligation</u> <u>Bonded Debt to</u> <u>Assessed Value</u>	<u>Percentage</u> <u>of Personal</u> <u>Income</u>	<u>Population</u> ⁽¹⁾	<u>Net General</u> <u>Obligation</u> <u>Bonded Debt</u> <u>Per Capita</u>
2000	\$ 5,523,981,229	\$ 28,150,000	0.51%	1.84%	61,587	\$ 457.08
2001	5,644,373,594	26,850,000	0.46%	1.67%	61,600	435.88
2002	7,185,163,146	25,150,000	0.35%	1.55%	62,326	403.52
2003	7,366,410,909	31,050,000	0.42%	1.84%	60,712	511.43
2004	7,652,511,338	29,695,000	0.39%	1.65%	60,574	490.23
2005	7,865,963,810	27,650,000	0.35%	1.42%	62,405	452.37
2006	8,189,801,676	47,605,000	0.58%	2.35%	63,202	758.52
2007	8,619,249,952	63,220,000	0.73%	2.92%	63,154	1,001.05
2008	18,620,488,670	59,550,000	0.32%	*	63,294	940.85
2009	19,028,825,652	55,920,000	0.29%	*	63,535	880.14

Notes: (1) NC Office of State Planning

*Personal income not available to calculate fiscal year 2008 & 2009



Carteret County

**Principal Employers
Current Year and Nine Years Ago**

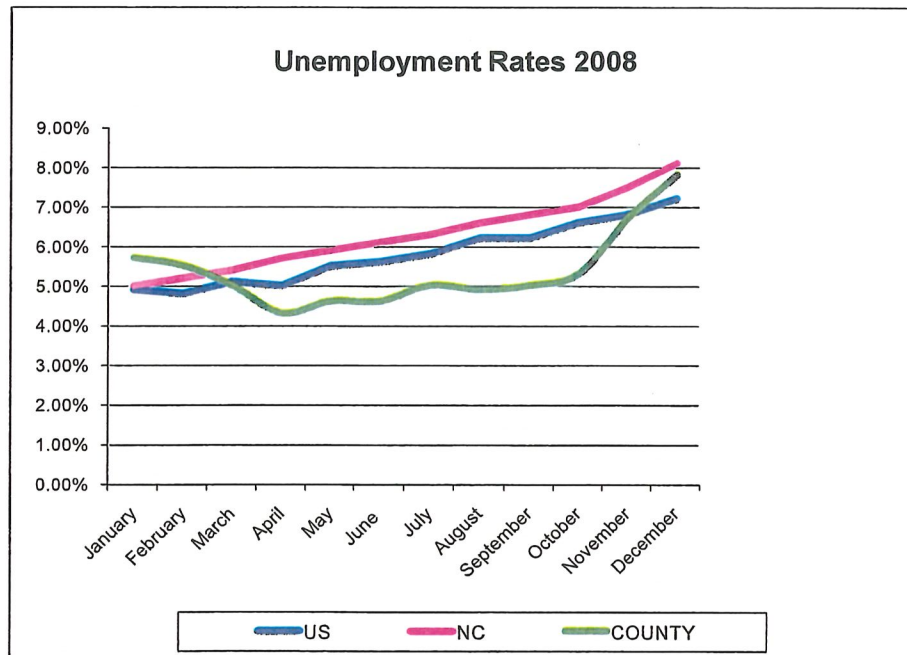
Employer	2008			1999		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Carteret County Public Schools	1,439	1	4.40%	1,197	1	3.96%
Carteret General Hospital	994	2	3.04%	800	2	2.64%
Wal-Mart	544	3	1.66%	320	6	1.06%
Carteret County	437	4	1.33%	330	5	1.09%
Atlantic Veneer	350	5	1.07%	385	3	1.27%
Carteret Community College	348	6	1.06%	270	8	0.89%
US Coast Guard	273	7	0.83%	300	7	0.99%
Henry's Tackle & Sporting Goods	237	8	0.72%	227	9	0.75%
NC Natural Resources & Community Dev	229	9	0.70%	-	-	-
Bally Refrigerated Boxes, Inc.	171	10	0.52%	-	-	-
Cross Creek Apparel, Inc.				223	10	0.74%
Food Lion				349	4	1.15%

Source: Carteret County Economic Development Council

Carteret County Unemployment Rates Comparisons Last Four Calendar Years

	2005			2006			2007			2008		
	US	NC	Carteret County	US	NC	Carteret County	US	NC	Carteret County	US	NC	Carteret County
January	5.20%	5.20%	6.00%	4.70%	4.70%	5.20%	4.60%	4.50%	5.10%	4.90%	5.00%	5.70%
February	5.40%	5.20%	6.20%	4.70%	4.70%	5.20%	4.50%	4.50%	4.80%	4.80%	5.20%	5.50%
March	5.20%	5.50%	5.30%	4.70%	4.60%	4.50%	4.40%	4.50%	4.10%	5.10%	5.40%	5.00%
April	5.10%	5.30%	4.30%	4.70%	4.60%	3.70%	4.50%	4.70%	3.60%	5.00%	5.70%	4.30%
May	5.10%	5.30%	4.30%	4.70%	4.70%	3.90%	4.50%	4.80%	3.70%	5.50%	5.90%	4.60%
June	5.00%	5.40%	4.40%	4.60%	4.80%	3.80%	4.60%	4.70%	3.70%	5.60%	6.10%	4.60%
July	5.00%	5.50%	4.30%	4.70%	4.70%	3.90%	4.70%	4.70%	3.60%	5.80%	6.30%	5.00%
August	4.90%	5.40%	3.80%	4.70%	4.80%	3.60%	4.70%	4.70%	3.40%	6.20%	6.60%	4.90%
September	5.10%	5.30%	3.80%	4.50%	4.90%	3.50%	4.70%	4.70%	3.40%	6.20%	6.80%	5.00%
October	5.00%	5.30%	3.90%	4.40%	4.80%	3.60%	4.80%	4.70%	3.50%	6.60%	7.00%	5.30%
November	5.00%	5.10%	4.50%	4.50%	4.80%	4.20%	4.70%	4.70%	3.90%	6.80%	7.50%	6.70%
December	4.80%	5.00%	4.80%	4.40%	4.70%	4.50%	5.00%	4.70%	4.40%	7.20%	8.10%	7.80%
Annual Average	5.07%	5.29%	4.63%	4.61%	4.73%	4.13%	4.64%	4.66%	3.93%	5.81%	6.30%	5.37%

*Source: NC Employment Security Commission



**Carteret County, North Carolina
Demographic Statistics
Last The Fiscal Years**

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Per Capita Income (2)</u>	<u>Person Income (in thousands) (2)</u>	<u>Unemployment Rate (3)</u>	<u>Public School Enrollment (4)</u>
2000	61,587	21,644	1,529,989	3.80%	8,326
2001	61,600	24,059	1,611,284	3.10%	8,271
2002	62,326	26,090	1,618,781	4.98%	8,177
2003	60,712	27,619	1,685,144	5.30%	8,163
2004	60,574	29,317	1,820,000	4.68%	8,259
2005	62,405	30,693	1,915,375	4.59%	8,237
2006	63,202	32,259	2,038,860	4.22%	8,425
2007	63,154	34,241	2,162,444	4.02%	8,297
2008	63,294	*	*	4.74%	8,297
2009	63,535	*	*	7.42%	8,294

Data Sources:

(1) North Carolina Office of State Planning

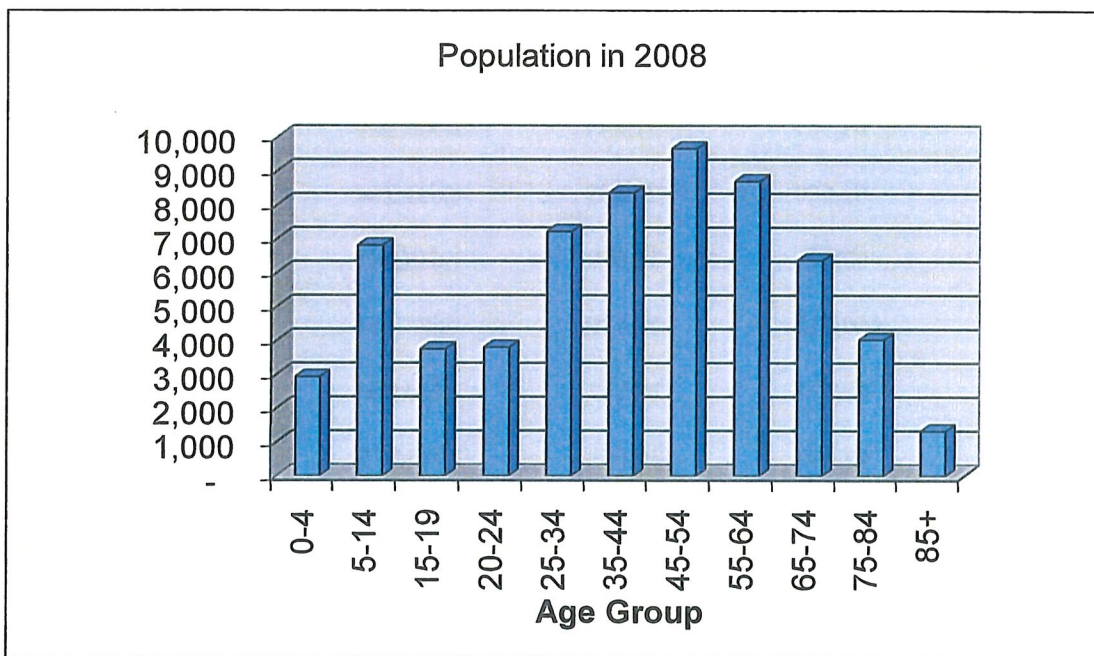
(2) Bureau of Economic Analysis, U.S. Department of Commerce. Figures are for the prior calendar year

(3) North Carolina Employment Security Commission

(4) Carteret County Board of Education

* Information Unavailable

**Carteret County, North Carolina
Demographic Statistics
Population by Age Group - 2008**



Source: Carteret County Economic Development Council

**Carteret County, North Carolina
Miscellaneous Statistics
June 30, 2009**

Date of Establishment	1722
Form of Government	Commission-Manager
Area	526 Square Miles
Carteret County Facilities and Services:	
Fire Protection:	
Number of stations	24
Number of firemen and officers	615
Number of units	1,850
Police Protection:	
Number of stations	1
Number of deputies and officers	50
Number of patrol units	20
Inspections:	
Number of building permits issued (1)	2,276
Cultural and Recreational:	
Number of parks	7 with 167 total acres
Number of public beach accesses/ boat ramps.	9
Facilities and Services not included in primary government:	
Hospitals (2)	
Number of hospitals	1
Number of patients-beds	117
Facilities and Services not included in the reporting entity:	
Education (3)	
Number of Schools	16
Number of teachers	700
Number of students	8,294
Cultural and Recreational (4)	
Number of libraries	4
Number of volumes	85,820

Sources:

- (1) Permits issued for fiscal year 2007
- (2) Carteret General Hospital
- (3) Carteret County Board of Education
- (4) Carteret County Library

GLOSSARY

Ad Valorem Tax - tax levied on the assessed valuation of real property. Property taxes in Carteret County are Ad Valorem taxes.

ADA: (American Disability Act) - prohibits private employers, state and local governments, employment agencies and labor unions from discriminating against qualified individuals with disabilities in job application procedures, hiring, firing, advancement, compensation, job training, and other terms, conditions, and privileges of employment.

AIWW: (Atlantic Intracoastal Waterway) - waterway along the Atlantic coast of the United States. Some lengths consist of natural inlets, salt-water rivers, bays, and sounds; others are man-made canals.

Annual Budget - a budget covering a single fiscal year.

Appropriation - a specific amount of money authorized by the county Commissioners to incur obligations for purposes specified in the budget ordinance. The County Commissioners make separate appropriations for each expenditure activity.

Assessed Property Value - the value set upon real estate or other property by the County as a basis for levying taxes.

Authorized Bonds - bonds which have been legally approved but may or may not have been sold.

Average Daily Membership - The total number of school days within a given term - usually a school month or school year - that a student's name is on the current roll of a class, regardless of his/her being present or absent, is the "number of days in membership" for that student. The sum of the "number of days in membership" for all students divided by the number of school days in the term yields ADM. The final average daily membership is the total days in membership for all students over the school year divided by the number of days school was in session. Average daily membership is a more accurate count of the number of students in school than enrollment.

Balanced Budget - a budget in which the sum of estimated net revenues and appropriated fund balance is equal to appropriations. Carteret County operates under a balance budget ordinance.

Bond - a certificate of debt issued by an entity, guaranteeing payment of the original investment, plus interest, by a specified future date. In the budget document, these payments are identified as debt service. Bonds are used to obtain long-term financing for capital projects.

Bond Issue - The sale of governmental bonds as a means of borrowing money.

Bond Rating - A grade given by bond rating agencies (Moody's, S&P, and Fitch) indicating a government's investment qualities. Ratings range from AAA (highest) to D (lowest) and the higher rating the lower the interest rate on the bonds.

Budget - a proposed plan for raising and spending money for specified programs, functions, activities, or objectives during a fiscal year.

Budget Amendment - a legal procedure utilized by the County staff and The Board of Commissioners to revise a budget appropriation.

Budget Document - a formal document presented to the Board of commissioners containing the County's financial plan for a fiscal year.

Budget Message - a written overview of the recommended budget from the county manager to the Board of Commissioners which discusses the major budget items, changes from the current and previous fiscal years, and the views and recommendations of the County Manager.

Budget Ordinance - this is the ordinance that levies taxes and appropriates revenues for specified purposes during a fiscal year.

Budgetary Control - the control or management of a governmental unit or enterprise in accordance with an approved budget for the purpose of keeping expenditures within the limitations of available appropriations and available resources.

CAD: (Computer Aided Dispatch) - method of dispatching emergency services assisted by computer. It can be used to send messages to the dispatchee via a mobile data terminal. A dispatcher may announce the call details to field units over a two-way radio.

CAFR: (Comprehensive Annual Financial Report) - a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America ("GAAP") and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants.

CAMA: (Coastal Area Management Act) - establishes a cooperative program of coastal area management between local and State governments. Local government shall have the initiative for planning. State government shall establish areas of environmental concern. Enforcement shall be a concurrent State-local responsibility.

Capital Outlay - equipment with an expected life of more than one year and a cost of more than \$1,000.00.

Capital Project - a project expected to have a useful life greater than ten years or an estimated total cost of \$25,000.00 or more, and requiring professional certification. Capital projects include the construction, purchase, or major renovation of a building or the purchase of land.

Capital Projects Fund - a fund used to account for the acquisition or construction of major governmental capital facilities and equipment which are not financed by other funds.

Cash Management - the management of cash necessary to pay for governmental services, while investing temporary cash excesses in order to earn interest revenue. Cash management refers to the activities of forecasting the inflows and outflows of cash, mobilizing cash to improve its availability for investment, establishing and maintaining banking relationships.

CCATS: (Carteret County Area Transportation) - coordinate the provision of medical transportation to clients of DSS; to provide improved human service and public transportation to the citizens of Carteret County; and to seek grant funding to aid in accomplishing these tasks.

CCC: (Carteret Community College) - local community college.

CDBG: (Community Development Block Grant) - one of the longest-running programs of the U.S. Department of Housing and Urban Development, funds local community development activities such as affordable housing, anti-poverty programs, and infrastructure development.

CDC: (Centers for Disease Control) - is an agency of the United States Department of Health and Human Services based in the metro Atlanta area. It works to protect public health and safety by providing information to enhance health decisions, and it promotes health through partnerships with state health departments and other organizations.

CDSA: (Children's Developmental Services Agency) - Children who are suspected of or known to have a developmental disability and are under age three are seen by these agencies. Children are referred to CDSA by physicians, other health care professionals, and parents.

CERT: (Community Emergency Response Team) - an organization of volunteers who have received specific training in basic disaster response skills, and who agree to supplement existing emergency responders in the event of a major disaster.

CIP: (Capital Improvements Plan) - this is the development of a five-year plan. The CIP is a plan that matches the County's major capital needs with our financial ability to meet them. The purpose of the CIP is to identify all capital projects with a cost greater than \$100,000.

Contingency - an appropriation of funds to cover unforeseen events that occur during the fiscal year. The total contingency appropriation cannot exceed five percent (5%) of the total of all other appropriations in the same fund. Transfers from this account must be approved by the Board of Commissioners.

CRSWMA: (Coastal Regional Solid Waste Management Authority) - was formed in 1990 as a partnership between Carteret, Craven, and Pamlico counties. The purpose is to provide an environmentally sound, cost effective system of solid waste disposal for the citizens of the three member counties.

Debt Service - the sum of money required to pay installments of principal and interest on borrowed funds such as bonds.

Department - an organizational unit responsible for carrying out a major governmental function.

DSS: (Department of Social Services) - provide citizens with resources and services to maximize their well-being and self-determination. We aim to prevent abuse, neglect, and exploitation of vulnerable citizens – the poor, the children, the aged, the disabled, and the sick – as well as, promote self-reliance and self-sufficiency for individuals and families.

E911: (Enhanced 9-1-1) - is a North American telecommunications based system that automatically associates a physical address with the calling party's telephone number, and routes the call to the most appropriate Public Safety Answering Point for that address. The caller's address information is displayed to call taker immediately upon call arrival.

EFNEP: (Expanded Food and Nutrition Education Program) - is designed to assist limited resource audiences in acquiring the knowledge, skills, attitudes, and changed-behavior necessary for nutritionally sound diets, and to contribute to their personal development.

Encumbrance - an amount of money committed for the payment of goods or services for which payment has not been made.

Enterprise Fund - A fund which accounts for operations that are financed through user charges and whose operation resembles a business (ex: Water Fund).

EEO: (Equal Employment Opportunity) - a set of laws that are governed by the Equal Employment Opportunity Commission that prohibit discrimination based on race, color, religion, sex, or national origin; sex-based wage discrimination; age discrimination; individuals with disabilities.

EMD: (Emergency Medical Dispatch) - is an essential part of a prehospital EMS system. The functions of emergency medical dispatching must include the use of pre-determined questions, pre-arrival telephone instructions, and pre-assigned response levels and modes.

EMS: (Emergency Medical Services) - a branch of emergency services dedicated to providing out-of-hospital acute medical care and/or transport to definitive care, to patients with illnesses and injuries which the patient, or the medical practitioner, believes constitutes a medical emergency.

EPA: (Environmental Protection Agency) - leads the nation's environmental science, research, education, and assessment efforts.

Expenditure - the outflow of funds for assets which are incurred or goods and services obtained regardless of when payment is actually made. This term applies to all funds of Carteret County.

FDA: (Food and Drug Administration) - is an agency of the United States Department of Health and Human Services and is responsible for regulating and supervising the safety of foods, dietary supplements, drugs, vaccines, biological medical products, blood products, medical devices, radiation-emitting devices, veterinary products and cosmetics.

Fiscal Year - a 12-month period to which the annual budget applies. In North Carolina, fiscal years for local governments are required by State Statute to begin July 1 and end June 30.

FLSA: (Fair Labor Standards Act) - establishes minimum wage, overtime pay, recordkeeping, and youth employment standards affecting employees in the private sector and in Federal, State, and local governments.

FMLA: (Family Medical Leave Act) - covered employers must grant an eligible employee up to a total of 12 workweeks of unpaid leave during any 12-month period for one or more of the following reasons: birth and care of the newborn child of the employee; placement with the employee a son or daughter for adoption or foster care; care for an immediate family member (spouse, child or parent) with a serious health condition; to take medical leave when an employee is unable to work due to a serious health condition.

Fund - a fiscal and accounting entity with a self-balancing set of accounts recording cash and other resources, together with all related liabilities and residual equities or balances, and changes therein, for the purpose of carrying on specific activities or attaining certain objectives.

Fund Balance - the accumulated excess of revenues and other financing services over expenditures and other financing uses for governmental functions.

GAAP: (Generally Accepted Accounting Principles) - uniform minimum standards and guidelines for financial accounting and reporting. GAAP encompasses the conventions, rules, and procedures necessary to define accepted accounting practices.

General Fund - the general operating fund of the County used to account for all financial resources except those required to be accounted for in another fund.

General Obligation Bonds - bonds that are voter approved and backed by the full faith and credit of the issuing government

GED: (General Educational Development) - a group of five rigorous subject tests which (when passed) certifies that the taker has American or Canadian high school-level academic skills.

GFOA: (Government Financial Officer's Association) - the purpose of the GFOA is to enhance and promote the professional management of governments for the public benefit by identifying and developing financial policies and practices and promoting them through education, training, and leadership.

GIS: (Geographic Information System) - captures, stores, analyzes, manages, and presents data that is linked to location. GIS applications are tools that allow users to create queries, analyze information, edit data, maps, and present the results of these operations.

Governmental Funds - governmental funds are used to account for most typical governmental functions focusing on the acquisition, use, and balances of a local or state government's expendable financial resources and the related current liabilities. The accounting for governmental funds has a budget orientation using the current financial resources measurement focus and the modified accrual basis of accounting.

GPS: (Global Positioning Systems) - is a global navigational satellite system developed by the United States Department of Defense. It is the only fully functional global navigational satellite system in the world, can be used freely, and is often used by civilians for navigational purposes.

Grant - a payment from one level of government to another. Federal and State aid to local governments is often in this form. Grants are usually made for specific purposes.

HAVA: (Help America Vote Act) - a program to provide funds to States to replace punch card voting systems; assist in the administration of Federal elections; establish minimum election administration standards.

HCCBG (Home and Community Care Block Grant) - The Area Agency on Aging in partnership with each county's Home and Community Care Block Grant committee, studies the needs of senior adults and helps plan services to meet those needs. The goal is to enable senior adults to live independently in their own homes.

HVAC: (Heating, Ventilating, and Air-Conditioning) - a system installed in buildings and personal dwellings to control the climate within the structure.

IDSE: (Initial Distribution System Evaluation) - is required as part of Stage 2 Disinfectants and Disinfection Byproducts Rule. They are one-time studies conducted by water systems to identify distribution system locations with high concentrations of trihalomethanes and haloacetic acids.

ISO: (Insurance Services Office) - is a provider of data, underwriting, risk management, and legal/regulatory services to property-casualty insurers and other clients.

Interest Income - revenue earned on investments with a third party. The County uses a pooled cash system, investing the total amount of cash regardless of fund boundaries. The interest earned is then prorated to each individual fund by the cash balance of the fund.

Intergovernmental Revenues - revenues from other governments (state, federal, or local) which can be in the form of grants, shared revenue, or entitlement.

Lease Purchase Agreement - an agreement that conveys the right to property or equipment for a stated period of time. It allows the county to spread the cost of an acquisition over several budget years.

LGC: (Local Government Commission) - an agency in the N.C. State Treasurer's Office which oversees local government bonded debt and assists cities and counties in all areas of fiscal management. The LGC conducts all bond sales, and ensures that local units have sufficient fiscal capacity to repay debt.

Local Government Budget and Fiscal Control Act - this act governs all financial activities of local governments within the State of North Carolina. Carteret County's budget is prepared in compliance with this Act.

MAC: (Military Affairs Committee) - Considered one of the most powerful Senate committees, its broad mandate allowed it to report some of the most extensive and revolutionary legislation. The committee is very influential.

Major Funds - represent the significant activities of the County and include any fund whose revenues or expenditures, excluding other financing sources and uses, constitute more than 10% of the revenues or expenditures of the appropriated budget.

MAPP: (Model Approach to Partnerships in Parenting) - a structured format through which prospective foster (and adoptive) parents can be selected and prepared to work with child welfare agencies as team members in helping troubled children and teens.

MSAG: (Master Street Address Guide) - is a database of address information, utilized for the purposes of 9-1-1.

Modified Accrual Basis of Accounting - the accounting approach under which 1) revenues are recognized in the accounting period in which they are both measurable and available to pay the liabilities of the current period; 2) expenditures are recognized in the accounting period in which a fund liability is incurred, and unmatured principal and interest on general long term debt is recognized when due.

NCCCS: (North Carolina Community College System) - 58 terrific institutions creating success for North Carolinians.

NCDCM: (North Carolina Division of Coastal Management) - works to protect, conserve, and manage North Carolina's coastal resources through an integrated program of planning, permitting, education and research.

NCEDD: (North Carolina Emergency Department Database) - collects emergency department data from 63% of North Carolina's emergency departments.

Non-Major Funds - represent any fund that does not meet the requirements of a Major Fund.

NPDES: (National Pollutant Discharge Elimination System) - permit program controls water pollution by regulating point sources that discharge pollutants into waters of the United States.

OBD: (On Board Diagnostics) - in an automotive context, is a generic term referring to a vehicle's self-diagnostic and reporting capability. OBD systems give the vehicle owner or a repair technician access to state of health information for various vehicle sub systems.

OSHA: (Occupational Safety and Health Administration) - OSHA's role is to promote the safety and health of America's working men and women by setting and enforcing standards; providing training, outreach and education; establishing partnerships; and encouraging continual process improvement in workplace safety and health.

PARTF: (Parks and Recreation Trust Fund) - provides dollar-for-dollar matching grants to local governments for parks and recreational projects to serve the public.

PCD: (Planned Conservation Development) - combines new residential construction and land protection and generates revenues while accomplishing conservation goals.

PED: (Preconstruction, Engineering, and Design) - objective is to provide focal point and working group to develop guidelines for effective preconstruction engineering management based on systematic approaches of managing preconstruction engineering activities and resources including time, funds, and personnel.

Property Tax - a tax levied on the assessed value of real property. This tax is also known as Ad Valorem Tax.

QRV: (Quick Response Vehicle) - helps emergency medical organizations use their resources more efficiently, sending this smaller vehicle to the scene of an emergency call, where they can assess an incident's severity and call in additional help if required.

Revaluation - assignment of value to properties used for all business and residential purposes by the Carteret County Tax Department. Under State law, all property must be revalued at least every eight (8) years. Carteret County performs revaluation in house every four (4) years.

SIDS: (Sudden Infant Death Syndrome) - a syndrome marked by the symptoms of sudden and unexplained death of an apparently healthy infant aged one month to one year.

SNS: (Strategic National Stockpile) - is the United States' national repository of antibiotics, chemical antidotes, and antitoxins. In the event of a national emergency, the SNS has the capability to supplement and re-supply local health authorities that may be overwhelmed by the crisis, with response time as little as 12 hours. The SNS is jointly run by the Centers for Disease Control (CDC) and the Department of Homeland Security.

Special District - is a unit of local government (other than a county or city) that is created for the performance of limited governmental functions and for the operation of a particular utility or public service enterprise.

Special Revenue Fund - a fund used to account for the revenues from specific sources which are restricted for legally specified expenditures.

Tax Base - the assessed valuation of all taxable real and personal property within the County lines.

Tax Year - the calendar year in which tax bills are sent to property owners. The 2000 tax bills are reflected as revenue receipts to the county in the fiscal year 2000-01.

Unencumbered Balance - the amount of an appropriation that is neither expended nor encumbered. It is essentially the amount of money still available for expenditure.

USACE: (US Army Corps of Engineers) - a Federal agency made up of civilian and military personnel, which provides vital engineering services and capabilities, as a public service, across the full spectrum of operations.

VA: (Veterans Affairs) - provides financial and other forms of assistance to veterans and their dependents.

VOIP: (Voice Over Internet Protocol) - general term for a family of transmission technologies for delivery of voice communications over IP networks such as the internet or other packet-switched networks.

