

# ROANOKE VALLEY CITIZENS FOR A SOUND ECONOMY

## NEWSLETTER: 2001 VOL. 1

Dear Fellow Citizens:

We, the members of the Roanoke Valley Citizens for a Sound Economy, would like to share some information with you about our County Government.

We have gathered this information from sources that we believe are reliable and, where appropriate, the sources are cited. Our purpose is to strive for a return of financial health in our county.

We feel that this goal is not only the responsibility of our elected officials, but also that of each taxpaying citizen. In order to voice opinions in an informed manner, we all need information. You can help by providing additional information that you might have for our newsletters and by using the information provided to question your County Commissioners.

You are welcome to join our organization. Notices of our monthly meetings are usually published in The Daily Herald. Our next meeting will be on April 10, at 6:30 PM at Ryans Steakhouse.

Sincerely,

*Your Fellow Taxpayers*

### **A Little Sidelight**

*Ever wonder how much our County budgets for **POSTAGE**? Just out of curiosity, one of our members added up the figures in the 2000 budget for the regular departments, not including Social Services, the Water Department, Solid Waste Department and Riverstone. Make a guess; then look on the bottom page 3 for the correct answer*

## COUNTY ADMINISTRATION SALARIES

The figures below are from The North Carolina Secretary of Treasury's Office. Figures are shown only through 1999 since 2000 figures are not yet available and audited. We do know, however, that there was a substantial increase in the Halifax 2000 budget for Administrative Salaries.

Comparisons are made to 6 other Counties that have populations close to Halifax County. We have a population of about 56,000. The other counties compared range from 52,000 to 60,000.

<b>County</b>	<b>1999</b>	<b>1998</b>	<b>1997</b>
Edgecombe	\$155,352	\$150,591	\$115,735
Columbus	\$160,316	\$148,612	\$133,352
Rutherford	\$116,445	\$111,590	\$103,525
Stanly	\$149,210	\$197,989	\$189,437
Lenoir	\$226,676	\$183,380	\$170,273
Haywood	\$131,019	\$141,073	\$110,485
Average	\$156,503	\$155,539	\$137,134
<b>Halifax</b>	<b>\$412,360</b>	<b>\$354,761</b>	<b>\$291,659</b>
<b>Halifax Difference</b>	<b>+\$255,857</b>	<b>+\$199,222</b>	<b>+\$154, 525</b>

We know there are differences in how the counties of the state are organized, but is it reasonable that the salaries of our Administrators are \$250,000 higher than the average of six other counties of about the same size and that those costs increased by \$120,700 from 1997 to 1999? Perhaps you should ask your County Commissioners.

SHOULD YOU SPEND IT IF YOU DON'T

## HAVE IT?

Like many households, the County prepares a budget. Unlike the family budget, our County spends money whether they have it or not. If the planned revenue doesn't come in, or if they need something they hadn't thought of when the budget was written, they apparently spend the money anyway. At the end of the year they wring their hands and tell us we need to pay higher taxes

For the fiscal year which ended on 06/30/2000 our county spent 3.3 million dollars more than they took in. How could they do this? Only because there must be an amount kept in reserve, and that amount must be at least 8% of the budget. Most counties keep at least 20%. At the end of fiscal year 1998 our reserve was 17% of the budget; by 1999 it was down to 8.8% and at the end of 2000 the reserve is reportedly down to 5.9%, which is below the state required reserve. The chart, on the next page, shows how we are doing with our reserve, compared to the rest of the state.

Year	1995	1996	1997	1998	1999	2000
Halifax County	17.2%	15.5%	18%	17.2%	8.9%	5.9% est.
Statewide	19%	20.5%	21.7%	22%	20.7%	not avail.

Where did the County spend the 3.3 million more than they took in? Our County Manager blames it on Medicaid, an expense we cannot easily control. But wait--the County Finance Department report is shown below.

Dept.	Revenue	Expense	Difference	(Over)/under%
Social Serv.	\$13,425,291	\$13,817,920	(\$392,629)	(12%)
Health Dept.	\$ 7,060,940	\$ 7,546,005	(\$485,065)	(14%)
Riverstone	\$ 7,024,167	\$ 7,606,087	(\$561,920)	(17%)
Solid Waste	\$ 2,878,828	\$ 2,871,493	\$7,335	0%
Water	\$ 2,377,923	\$ 2,495,751	(\$117,628)	(4%)
All other Depts	\$50,567,525	\$52,362,024	(\$1,794,499)	(53%)

What about those "All Other" departments? That's where more than half the overspending is. Don't they count.

**(The correct answer to the question on page #2 is \$79,000. This is enough to mail 240,000 first class letters.)**

## THE FINANCE DEPARTMENT

We have nothing against the Finance Department. It apparently has been doing a fine job and, if we understand correctly, it recently won an award from a Finance Officers Association. It is a department singled out here, only because every County in the state has one and we do want to compare "apples to apples."

For the fiscal year 1996 the Finance Department operated with a total budget of \$233,320. By 1999 the budget expenditures had increased to \$310,460 and by this year, the budget was \$393,361, - **\$160,000** more than 1996, and an increase of **69%**, over a short four year period.

Compare this with six other Counties of the same size (between 5 1,000 and 60,000 in population). Figures are for 1999 since these are the last available from the Secretary of Treasurer's Office.

Haywood County	\$208,024
Lenoir County	\$229,791
Stanly County	-\$290,295
Rutherford County	\$259,917
Columbus County	\$250,610
Edgecombe County	\$276,033
Average of six Counties	\$252,445
<b>Halifax County</b>	<b>\$310,460</b>
<b>Halifax Excess</b>	<b>\$58,015</b>

Is it reasonable to have a department, as straightforward as Finance, with an increase of \$160,000 over a four-year period? Is it reasonable that six other Counties of the same size are able to get the job done with an average budget that is \$58,015 less than Halifax is? These are questions YOU should be asking your County Commissioners.