

# BERTIE COUNTY

JUAN VAUGHAN, II  
County Manager

LASHONDA CARTWRIGHT  
Clerk to the Board



# BOARD OF COMMISSIONERS

TAMMY LEE, Chair  
JOHN TRENT, Vice Chair  
RON WESSON  
GREG ATKINS  
RON ROBERSON

TO: Bertie County Board of Commissioners, Citizens, and Taxpayers of Bertie County

FROM: Juan Vaughan, II, County Manager

DATE: May 31, 2021

RE: Proposed FY 2021-2022 Budget Plan

In accordance with North Carolina General Statutes, I respectfully submit for your review and consideration the recommended FY 2021-2022 budget for Bertie County as required by the North Carolina Local Government and Budget Fiscal Control Act.

The budget development process began with the distribution of a budget calendar, preparation forms, and instructions to all county departments, groups, and agencies that receive funding from Bertie County. If all budget requests submitted for FY 2021-2022 were funded, a 33 cents tax increase would be required with no use of fund balance reserves.

The proposed funding for the General Fund for FY 2021-2022 is \$24,146,930 which is a decrease of \$608,604 or 2.5% below the original budget ordinance for the current year, which was \$24,755,534. The proposed General Fund budget does not include a fund balance appropriation nor an increase in the ad valorem tax rate. Some capital requests have been recommended in the proposed budget for FY 2021-2022 and additional capital requests are proposed with funding from the State & Local Fiscal Recovery funds provided through the American Rescue Plan.

For the fiscal year ending June 30, 2017, the appropriated fund balance for the original budget was \$1,271,247; the final budget included an appropriated fund balance of \$1,857,025. For the fiscal year ending June 30, 2018, the appropriated fund balance for the original budget was \$1,592,304; the final budget included an appropriated fund balance of \$2,022,737. For the fiscal year ending June 30, 2019, the appropriated fund balance for the original budget was \$1,902,304; the final budget included an appropriated fund balance of \$2,373,361. For fiscal year ending June 30, 2020, the appropriated fund balance for the original budget was \$1,729,650; the final budget included an appropriated fund balance of \$1,903,050. For the fiscal year ending June 30, 2021, there was no appropriation of fund balance in the original budget; we project the final budget to include funds added to fund balance.

The North Carolina Local Government Commission advises units of local government to maintain the fund balance available for appropriation at 8% or higher of total expenditures. Bertie County adopted a minimum fund balance policy for the General Fund, which instructs management to maintain the fund balance available for appropriation at 10% or higher of total expenditures. As a result of appropriating fund balance to balance the budget for a number of years in addition to not receiving timely reimbursement from a number

of sources for capital projects, Bertie County's fund balance available for appropriation as calculated by the North Carolina Local Government Commission (LGC) has fallen below the 8 percent and 10 percent of the General Fund expenditures as recommended by the LGC and Bertie County Board of Commissioners respectively.

It continues to be challenging yet very critical to continue making reductions in County department budgets in efforts of reducing expenditures to alleviate the use of fund balance. This budget plan was formulated with these key goals in mind – reducing expenditures and not appropriating any fund balance. The proposed funding for the General Fund for FY 2020-2021 was a decrease of \$736,370 or 3% below the original budget ordinance for FY 2019-2020. The proposed funding for the General Fund for FY 2021-2022 is a decrease of \$608,604 or 2.5% below the original budget ordinance for the current year, yielding a total reduction of \$1,344,974 compared to the original budget ordinance for FY 2019-2020.

The proposed FY 2021-2022 budget plan incorporates a modest cost of living adjustment of 1% across the board. Upon approval of the Board of Commissioners, this across the board adjustment will be effective July 1, 2021 and the net cost to the General Fund is approximately \$65,000.

The total valuation projection for FY 2020-2021 was \$1,382,385,051, which is \$65,249,109 (4.7%) higher than the FY 2019-2020 projected total valuation of \$1,317,135,912. The total valuation projection for FY 2021-2022 is \$1,399,746,603 (\$1,219,746,603 for real and personal property and public utilities and \$180,000,000 for motor vehicles). At a collection rate of 100%, each penny produces \$139,974.66. At a collection rate equal to the audited FY 2019-2020 collection rate of 97.83%, each penny produces \$136,937.15.

Some capital and non-capital requests have been funded in the proposed budget plan, including a storage building at the new NC Cooperative Extension site and a passport camera system for the Register of Deeds Office. Numerous capital expenditures in the departments of Emergency Services, Sheriff, and Information Technology are proposed with the use of the State & Local Fiscal Recovery Funds through the American Rescue Plan. Bertie County has received \$1,840,116 through Fiscal Recovery Funds, which Congress provided to respond to the COVID-19 public health emergency and its economic impacts through four categories of eligible uses: (1) to respond to the public health emergency or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality; (2) to respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers; (3) for the provision of government services to the extent of the reduction in revenue due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year prior to the emergency; and (4) to make necessary investments in water, sewer, or broadband infrastructure.

The proposed special appropriations are very similar to the appropriations that have been made to various vital programs, regional agencies, and non-profit organizations in prior years. The total allocation recommended to special appropriations is \$6,302,942. Most of the special appropriations are annual operating support for Bertie County Schools, community colleges, and the regional jail.

**\$6,302,942 Proposed Special Appropriations for FY 2021-2022**

|                    |   |
|--------------------|---|
| \$3,027,671        | Bertie County Schools   |
| \$ 375,000         | Bertie County Schools Capital Outlay                                |
| \$ 70,000          | Fines & Forfeitures Pass Through from Courts to Schools             |
| \$ 210,000         | 1 / 4 cent sales tax – Art 46 - Pass Through to Schools (Estimated) |
| \$ 59,275          | Martin Community College Windsor Campus                             |
| \$ 31,500          | Martin Community College Capital Outlay                             |
| \$ 55,000          | Roanoke-Chowan Community College                                    |
| <u>\$1,147,006</u> | Bertie-Martin Regional Jail   |
| \$1,327,490        | Other Special Appropriations  |

The proposed FY 2021-2022 budget plan includes the usual General Fund appropriation of \$30,000 to each of the 12 fire departments in Bertie County. In the upcoming fiscal year, the Board of Commissioners plans to look further into the alternative funding options suggested in the fire study recently conducted.

As we continue to reduce expenditures to strengthen our financial and reserve position, several positions continue to not funded in departments with numerous vacancies. For example, the proposed budget includes no funding for the five deputy positions in the Sheriff's department that were frozen for the current fiscal year. Similarly, there were also five positions in Non-Emergency Transport that are not absolutely necessary based on the call volume at this time; thus, these positions have not been included in the proposed budget. However, the additional building inspector previously included to increase the County's capacity to meet the enforcement requirements of the new State Fire Prevention Codes has been included in the proposed budget plan. To further meet the needs of our citizens and to provide another source of revenue, a part time position has also been included in the Register of Deeds' Office to provide passports for the first time in the county and surrounding counties.

Additional capital projects that are proposed for the upcoming fiscal year include voting equipment for the Board of Elections, tax software, and a new Animal Control Shelter.

I look forward to highlighting the items mentioned herein in the upcoming Board of Commissioners meeting on Tuesday, June 1<sup>st</sup>. I also look forward to a more in-depth discussion as needed during a work session to be scheduled during Tuesday's meeting.

County staff and department heads are prepared to explain funding requests and to assist the Board with balancing priorities within our fiscal limits. The final adoption of the FY 2021-2022 budget is anticipated to occur between June 14 and June 30, 2021.

All county employees contributed to this fiscal plan in some way. I would like to extend my gratitude to all employees for their assistance, to department heads for the leadership and sacrifices made, and to Finance Director William Roberson and Assistant County Manager David Scarborough for the fiscal acumen and technical support.

Respectfully submitted,

A handwritten signature in blue ink that reads "Juan Vaughan, II". The signature is written in a cursive style with a large, stylized initial "J".

Juan Vaughan, II  
County Manager