



BERTIE COUNTY
106 DUNDEE STREET
POST OFFICE BOX 530
WINDSOR, NORTH CAROLINA 27983
(252) 794-5300
FAX: (252) 794-5327
WWW.CO.BERTIE.NC.US

**BOARD OF
COMMISSIONERS**
JOHN TRENT, Chair
RONALD WESSON, Vice Chair
GREG ATKINS
TAMMY LEE
RONALD ROBERSON

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

FROM: Juan Vaughan, II, County Manager

DATE: May 22, 2022

RE: Proposed FY 2022-2023 Budget Plan

In accordance with North Carolina General Statutes, I respectfully submit for your review and consideration the recommended FY 2022-2023 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 2022-2023 were funded, a 21 cents tax increase would be required with no use of fund balance reserves.

The proposed funding for the General Fund for FY 2022-2023 is \$24,307,447 which is an increase of \$160,517 or less than 1% above the original budget ordinance for the current year, which was \$24,146,930. The proposed General Fund budget does not include a fund balance appropriation nor an increase in the proposed ad valorem tax rate. Some capital requests have been recommended in the proposed budget for FY 2022-2023 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; the final budget permitted a fund balance increase of \$1,086,573. For the current fiscal year ending June 30, 2022, there was no appropriation of fund balance in the original budget; we project the final budget to also permit an increase in 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), fell below the 8 percent and 10 percent of the General Fund expenditures as recommended by the LGC and Bertie County Board of Commissioners respectively as of June 30, 2019 (7.44%) and June 30, 2020 (1.06%). After receiving all said reimbursements and alleviating the use of fund balance to balance the budget, Bertie County's fund balance available for appropriation has risen to 6.32% as of June 30, 2021. Strengthening our fund balance and financial position remains top priority along with providing quality services to the citizens of Bertie County.

The total valuation projection for FY 2022-2023 is \$1,449,135,310 (\$1,254,337,622 for real and personal property and public utilities and \$194,797,688 for motor vehicles). At a collection rate of 100%, each penny produces \$144,913.53. At a collection rate equal to the audited FY 2020-2021 collection rate of 98.11%, each penny produces \$142,174.67.

The proposed FY 2022-2023 budget plan incorporates a cost of living adjustment of 2% across the board. Upon approval of the Board of Commissioners, this across the board adjustment will be effective July 1, 2022 and the net cost to the General Fund is approximately \$173,000.

Some capital and non-capital requests have been funded in the proposed budget plan, including permitting software in the Planning and Inspections Department that will increase the efficiency of record keeping and prevent the omission of taxable properties. Numerous capital expenditures in the departments of Emergency Services, Public Buildings, and Information Technology are proposed with the use of the State & Local Fiscal Recovery Funds through the American Rescue Plan Act (ARPA). Bertie County received \$1,840,116 through Fiscal Recovery Funds in May of 2021, 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. Bertie County is expecting to receive \$1,840,116 from ARPA funds by the end of the current fiscal year. As advised by the North Carolina Association of County Commissioners, Bertie County chose to claim the Standard Allowance for revenue loss, which maximizes the amount of revenue loss dollars a county can claim. This option allows the County to spend ARPA funds for any government service it is authorized to undertake.

The proposed special appropriations are 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 \$5,987,542. Most of the special appropriations are annual operating support for Bertie County Schools, community colleges, and the regional jail.

\$5,987,542 Proposed Special Appropriations for FY 2022-2023

\$3,027,671	Bertie County Schools
\$ 375,000	Bertie County Schools Capital Outlay
\$ 70,000	Fines & Forfeitures Pass Through from Courts to Schools
\$ 275,000	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
\$ 947,090	Other Special Appropriations

The proposed FY 2022-2023 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 decide among the alternative funding options suggested in the recently conducted fire study that will best meet the needs of Bertie County residents.

Capital projects that are proposed for the upcoming fiscal year with the use of ARPA funds include matching funds for the broadband expansion grant and grants anticipated for the Tall Glass of Water project, a firewall (IT), communications tower repair, additional funds needed for the Animal Shelter, and an ambulance remount (EMS). I look forward to highlighting the items mentioned herein and others in the upcoming Board of Commissioners budget work sessions on Monday, May 23rd and Tuesday, May 24th. 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 2022-2023 budget is anticipated to occur between June 6 and June 30, 2022.

Along with the proposed budget are proposed changes and increases for the Bertie County Planning & Inspections Fee Schedule and the Bertie County Tax Mapping Fees.

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 to Assistant County Manager David Scarborough and Finance Director William Roberson for the fiscal acumen and technical support.

Respectfully submitted,



Juan Vaughan, II
County Manager