



## BERTIE COUNTY

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## BOARD OF COMMISSIONERS

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

FROM: Juan Vaughan, II, County Manager

DATE: May 22, 2023

RE: Proposed FY 2023-2024 Budget Plan

In accordance with North Carolina General Statutes, I respectfully submit for your review and consideration the recommended FY 2023-2024 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 2023-2024 were funded, a 10 cents tax increase would be required with no use of fund balance reserves.

The proposed funding for the General Fund for FY 2023-2024 is \$25,337,710 which is an increase of \$1,030,263 or 4% above the original budget ordinance for the current year, which was \$24,307,447. The proposed General Fund budget does not include a fund balance appropriation. While there is no proposed increase in the County's general property tax rate of \$0.865, the establishment of a fire protection service tax district is proposed for all unincorporated areas of Bertie County and the towns of Askewville, Aulander, Colerain, Kelford, Lewiston-Woodville, Powellsville, and Roxobel. This single, unified fire protection service district will finance, provide, and maintain fire and rescue services in the district. In order to maintain the current level of service, the Board of Commissioners will levy additional taxes of approximately \$0.03762 in this service district, if approved, to replace the historical General Fund appropriation used to fund fire departments.

Some capital requests have been recommended in the proposed budget for FY 2023-2024 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 fiscal year ending June 30, 2022, there was no appropriation of fund balance in the original budget; the final budget permitted a fund balance increase of \$315,621. For the current fiscal year ending June 30, 2023, there was no appropriation of fund balance in the original budget; a fund balance increase is also expected in the final budget.

The North Carolina Local Government Commission advises units of local government to maintain fund balance available for appropriation as a percentage of total expenditures at level comparable to counties of similar size and not lower than 8 percent. 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 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 percent as of June 30, 2021 and 7.12 percent as of June 30, 2022. 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 2023-2024 is \$1,456,287,703 (\$1,250,207,601 for real and personal property and public utilities and \$206,080,102 for motor vehicles). At a collection rate of 100%, each penny produces \$145,628.77. At a collection rate equal to the audited FY 2021-2022 collection rate of 97.82%, each penny produces \$142,454.06.

The proposed FY 2023-2024 budget plan incorporates an adjustment to the Bertie County Salary Schedule & Position Classification Plan, which does not include deputy positions, first responders, nor non-emergency transport personnel included on the Sheriff's Office & Emergency Medical Services/Non-Emergency Transport Salary Schedule & Classification Plans. This adjustment increases the minimum pay on the general Bertie County Salary Schedule & Position Classification Plan to \$11 per hour. To maintain the consistency and integrity of the plan, all grades will be adjusted accordingly. Employees will receive salary adjustments if their salary is below the newly adjusted minimum and if their salary is not at least on the corresponding step of their respective grade based on years of service in their current position. Upon approval by the Board of Commissioners, this adjustment will be effective July 1, 2023 and the net cost to the General Fund is approximately \$300,000.

Numerous capital expenditures in the departments of Emergency Services, Public Buildings, and Information Technology such as emergency response vehicles and servers are proposed in this budget plan. Bertie County has received a total \$3.6 Million from the State & Local Fiscal Recovery Funds through the American Rescue Plan Act (ARPA), 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. 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. Computer replacements in Tax and Elections departments are proposed with some remaining ARPA funds for the upcoming fiscal year.

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 \$6,023,752. Most of the special appropriations are annual operating support for Bertie County Schools, community colleges, and the regional jail.

**\$6,023,752 Proposed Special Appropriations for FY 2023-2024**

\$3,027,671	Bertie County Schools
\$ 375,000	Bertie County Schools Capital Outlay
\$ 70,000	Fines & Forfeitures Pass Through from Courts to Schools
\$ 291,500	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
\$ 966,800	Other Special Appropriations

The proposed FY 2023-2024 budget plan does not include the usual General Fund appropriation of \$30,000 to each of the 12 fire departments in Bertie County since the fire protection service tax district is proposed. However, because the Town of Windsor did not opt in the service district, \$14,500 is included in the proposed budget plan, which represents the tax base the Windsor Fire Department serves in the city limits. Forty-five percent of the tax base is within the Town of Windsor and 55 percent is in the unincorporated area of Windsor.

I look forward to highlighting the items mentioned herein and others in the upcoming Board of Commissioners budget work sessions on Wednesday, May 31<sup>st</sup> and Friday, June 2<sup>nd</sup>. 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 2023-2024 budget is anticipated to occur between June 5 and June 30, 2023.

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/Interim Finance Officer 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" and a distinct "II" at the end.

Juan Vaughan, II  
County Manager