



BERTIE COUNTY

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

FROM: Juan Vaughan, II, County Manager

DATE: May 20, 2024

RE: Proposed FY 2024-2025 Budget Plan

In accordance with North Carolina General Statutes, I respectfully submit for your review and consideration the recommended FY 2024-2025 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 2024-2025 were funded, a tax increase of over 9 cents would be required with no use of fund balance reserves.

The proposed funding for the General Fund for FY 2024-2025 is \$26,621,686 which is an increase of \$1,283,976 or 5% above the original budget ordinance for the current year, which is \$25,337,710. The proposed General Fund budget does not include a fund balance appropriation. There is a proposed increase in the County's general property tax rate of \$0.865 per \$100 valuation of 1.5 cents. If this proposed increase is approved, the County's general property tax rate will be \$0.88 per \$100 valuation. A fire protection service tax district was established for all unincorporated areas of Bertie County and the towns of Askewville, Aulander, Colerain, Kelford, Lewiston-Woodville, Powellsville, and Roxobel effective July 1, 2023. This single, unified fire protection service district finances, provides, and maintains fire and rescue services in the district. The Board of Commissioners levied additional taxes of \$0.0372 in this service district to replace the historical General Fund appropriation used to fund fire departments.

Several capital requests have been recommended in the proposed budget for FY 2023-2024.

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; there was an overall decrease of \$522,134 in fund balance and an increase of \$393,964 in available fund balance.

The North Carolina Local Government Commission recommends our unit of local government maintain fund balance available for appropriation as a percentage of total expenditures at 20 percent. The median fund balance available for appropriation as a percentage of total expenditures is 39% for units similar to Bertie County. 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 increased to 6.32 percent as of June 30, 2021, 7.12 percent as of June 30, 2022, and 8.68% as of June 30, 2023. 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 2024-2025 is \$1,435,976,766 (\$1,283,976,766 for real and personal property and public utilities and \$152,000,000 for motor vehicles). At a collection rate of 100%, each penny produces \$143,597.77. At a collection rate equal to the audited FY 2022-2023 collection rate of 97.69%, each penny produces \$140,280.66.

The proposed FY 2024-2025 budget plan incorporates a 3 percent across the board increase for employees in permanent positions, which equates to approximately \$311,746.

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.

\$6,034,878 Proposed Special Appropriations for FY 2022-2023

\$3,027,671	Bertie County Schools
\$ 375,000	Bertie County Schools Capital Outlay
\$ 315,592	1 / 4 cent sales tax – Art 46 - Pass Through to Schools (Estimated)
\$ 62,314	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
\$1,020,795	Other Special Appropriations

The proposed FY 2023-2024 budget plan does not include the historical General Fund appropriation of \$30,000 to each of the 12 fire departments in Bertie County since the fire protection service tax district is has been established. 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 within 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 Tuesday, May 28th and Wednesday, May 29th. 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 2024-2025 budget is anticipated to occur between June 6th 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,



Juan Vaughan, II
County Manager