



BUDGET MESSAGE
COUNTY OF BLADEN
May 23, 2016

Bladen County Board of Commissioners:

I am pleased to present for your consideration, the FY 2016-2017 Proposed Budget for Bladen County, North Carolina. The budget is balanced and identifies all revenue and expenditure estimates in accordance with the North Carolina Local Government Budget and Fiscal Control Act. The recommended budget is \$51,609,806 including a General Fund Budget of \$42,250,646 and Non-General Fund operating plans totaling \$9,359,160.

The proposed General Fund Budget of \$42,250,646 represents an increase of 3.2% over the FY 2016 Adopted Budget. Increased spending is largely concentrated in two areas: capital and non-inventorable items primarily related to public safety, as well as current expense appropriations for Bladen County Schools and Bladen Community College. For the second year, the budget includes an appropriation for debt service and projected operating expenses related to the new detention and law enforcement center currently under construction. However, because the detention center will not be completed and operational in the upcoming fiscal year, it is recommended that these funds be applied toward capital and other non-recurring expenses including improvements at the Public Safety Training Center.

Emergency Medical Services and certain Health Department programs require an increasing reliance on local tax dollars to fund operating expenses, which is an ongoing budgetary concern. While significant efforts have been made in Home Health, financial sustainability is uncertain at best. And, for Emergency Medical Services, which is a core public safety function for Bladen County, alternative funding options such as a one-quarter cent sales tax may need to be discussed and given consideration in the very near future.

For the second consecutive year, the Board of County Commissioners began the annual budget process in February by reaching out to citizens through a survey inviting input regarding priority issues and services. Additionally, a Pre-Budget Hearing was held on March 21, 2016 to provide an opportunity for citizens to personally address the Board with suggestions and priorities to be considered in developing the FY 2017 budget.

Revenue Overview

The proposed budget includes a projected tax base of \$2,628,812,653. The proposed tax rate remains \$.82 per \$100 valuation. An anticipated collection rate of 93.90% for real and business-personal property, 96.00% for motor vehicles, and 100% for public utilities will generate a combined collection rate of 94.44%. This collection rate reflects a slight increase due to the effective efforts of the Tax Office staff.

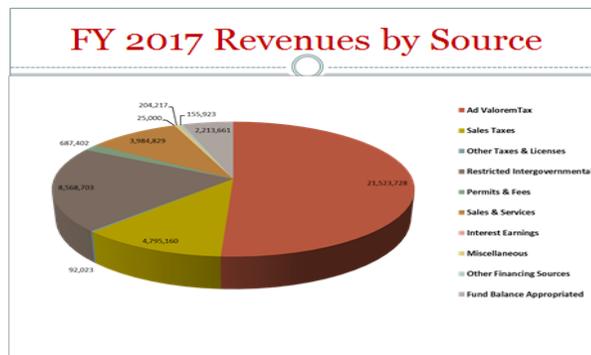
The following table reflects budgeted values and collection rates for the various types of property:

Ad Valorem Taxes					
	Value	Rate		Collection Rate	Total
Real Property	\$1,872,460,713	0.0082	\$ 15,354,178	0.9390	\$ 14,417,573
Personal Property	\$ 354,454,272	0.0082	\$ 2,906,525	0.9390	\$ 2,729,227
Motor Vehicles	\$ 255,715,351	0.0082	\$ 2,096,866	0.9600	\$ 2,012,991
Public Utilities	\$ 146,182,317	0.0082	\$ 1,198,695	1.0000	\$ 1,198,695
					\$20,358,486

Sales tax is estimated to generate \$4,795,160, or approximately 11.35 percent of the County’s General Fund budget. This is an increase of \$550,144 related to the new Article 44 Sales Tax Expansion for Education and Economic Development. Additional sales tax revenue related to the expansion is generated from State of North Carolina’s recently implemented sales tax on services.

Interest rates remain at historically low levels, although there has been a slight increase in the past year. The anticipated amount of revenue to be generated by interest income in the upcoming budget is \$25,000, an amount that is approximately \$660,000 less than the interest income received in FY 2007.

As highlighted in the chart below, property taxes exceed one-half of the general fund revenue, followed by restricted intergovernmental revenues, sales tax, and sales and services.



EXPENDITURE OVERVIEW

The budget includes a strong focus on increased funding for Education and Public Safety related capital items while maintaining funding for other services and programs at existing levels. There is a greater reliance on local funding for Health related services.

Personnel

The budget provides funding for two additional positions related to the NCFAST in the Department of Social Services. Funding for these two positions is being shifted from contracted services for existing temporary employees to full-time employees. Funding for these positions

includes a Federal reimbursement rate of 75%. Bladen County DSS staff members are to be commended for their professionalism in managing the increased workload and caseload growth associated with NCFAST.

For the past three years, Bladen County has participated in a COPs Grant program which provided funding for two Sheriff’s deputies to serve as school resource officers. With the program nearing completion, the proposed budget includes local funding for one of the positions, with the County being required to fully fund the second position in FY 2018.

In anticipation of additional staff required for the new Detention and Law Enforcement Center, the budget provides funding for two full-time detention officers and four detention officers to begin in April, 2017.

The chart below illustrates newly requested and proposed positions.

Personnel	
Department	Requested Positions
Sheriff	Office Assistant
Jail	4 – Jailers (Begin 04/01/17)
DSS	IMC II - FNS
DSS	IMC II – F&C Medicaid
EMS	4 – Paramedics
EMS	4 – Basic EMT’s
EMS	Intermediate EMT
	Highlighted is Proposed

Employee Benefits

Bladen County has dedicated employees who work diligently to provide quality services in an efficient manner. As an on-going aspect of the compensation plan, the proposed budget includes automatic step funding for employees completing probationary status. The Piedmont Triad Council of Governments is nearing completion of a compensation study for Bladen County. It is likely the plan will be implemented in a phased approach, due to the high cost of fully implementing the plan. Funding is included in a Contingency line item for the first phase (approximately 25%) of implementation.

Many organizations have experienced significant cost increases in recent years related to health insurance. As a member of the State Health Plan, Bladen County has experienced only moderate increases in premiums. The budget provides funding for 100% of the cost of employee medical coverage, including \$41,574 for a 3.4% increase in health insurance benefits effective January, 2017. The State Health Plan encourages and provides incentives for employees to maintain healthy lifestyles. This is reflected in the premium pricing model whereby employees are required to share in the monthly premium charge if they do not complete certain activities such as a smoking attestation and health assessment.

The employer contribution to the North Carolina Local Government Employees Retirement System will be \$1,015,298 in the upcoming year. The rate, as a percentage of

employees' salaries, will increase to 7.35% for general employees and 8.14% for law enforcement officers.

Human Services

The Department of Social Services administrative staff focuses closely on maximizing revenues from state and federal sources, which helps to contain the County's cost of providing Social Services programs to our citizens. The full appropriation for DSS will total \$8,165,507, a decrease of \$594,467. Of this amount, county funding will total \$2,420,639, a decrease of \$109,554 or 4.5%. This budget reduction is largely due to decreased federal and state funding for programs such as Day Care and Medicaid Administration.

The Bladen County Health Department provides quality healthcare services to the citizens of Bladen County. Unfortunately, revenues generated from third party sources such as Medicare, Medicaid, and private insurance have declined in recent years placing a greater strain on local tax dollars to maintain service levels. Of particular concern, the Home Health program, which has traditionally been a financially positive service, has required subsidization from the County in recent years. While the Health and Human Services Advisory Committee and Health administration are to be commended for having made concerted efforts to improve the financial viability of the program, including restructuring and working toward accreditation, it appears that local funding will continue to be necessary for the foreseeable future. With numerous private providers of Home Health services and with limited tax dollars available to provide many mandated county services, the Board of Commissioners will need to closely consider options for the future of Bladen County Home Health.

The chart below reflects the various sources of revenue for Human Services agencies.

	Intergov't	Fees/Others	County	FBA	Total Expenditures
Social Services	5,744,868		2,420,639		8,165,507
Public Health	1,403,833	984,854	1,332,516	95,000	3,836,203
Mental Health		4,000	48,725		52,725
Div on Aging-BARTS	354,663		110,504		465,167
Div on Aging-In Home	102,395		85,042		187,437
Div on Aging-Nutrition	151,915		108,642		260,557
Senior Center	63,161		35,052		98,213
DOA-Home Improvement	25,629		2,960		28,589
TOTAL	7,847,474	988,854	4,164,080	95,000	13,095,408

Public Safety

In recent years, the annual Medicaid cost settlement revenue for Emergency Medical Services has declined from a high of \$702,521 in FY 2010 to \$201,306 in FY 2016. This combined with other Medicaid/Medicare reimbursement changes, as well as increased capital and operating costs, places a financial strain on the county budget. An appropriation of \$669,644 is budgeted from the General Fund to EMS. The proposed budget includes capital funding for two refurbished ambulances, GPS tracking units for ambulances and two refurbished cardiac monitors.

A new Detention and Law Enforcement Center is currently under construction with completion scheduled for the third quarter of 2017. While funding for this project will not be required in the upcoming fiscal year, the budget includes funding related to the proposed new jail facility. \$903,819 is budgeted for debt service, based on an estimated project cost of \$19.9 million to be financed by USDA Rural Development at 3.625% for a term of 40 years. The following funding is also included for projected operating expenses.

Six new jailer positions	\$153,785
Less two jailers hired during 2016	-51,854
Less four jailers to begin 04/01/17	-25,632
Fringe Benefits	33,587
Inmate Medical	101,325
Inmate Food (1.24154*3*220*365=299086.99-170000.00)	129,087
Uniforms, Supplies, Telephone, Postage, Schools	7,300
Reduction of housing inmates in other counties	-215,000
DSS – debt service retirement in 2017	-119,066
Utilities – Electric, Water, Fuel and Propane	72,430
ABL Equipment	98,676
Property/Liability Insurance	20,000
Total	204,638

The Sheriff’s Office budget includes \$399,000 for the purchase of fourteen patrol vehicles at a cost of \$28,500 each. This number of replacement vehicles will update the current fleet and reduce maintenance related expenses.

The following chart illustrates requested and proposed capital items. The budget includes pay as you go funding for all capital items due to the fact that financing associated with the jail will exceed the \$10 million annual cap for tax exempt status regarding interest rates.

Capital Items			
Department	Capital Item	Request	Proposed
Central Services	Snapper/Mower	10,000	10,000
Sheriff	Tasers	15,000	15,000
	Patrol Vehicles (25 requested – 14 budgeted)	712,500	399,000
Jail	Tasers and Radio	2,000	2,000
BCC Deputies	Tasers	2,000	2,000
Emergency Services	HVAC Units Kit, Shop C	12,000	12,000
	Driveway	5,000	5,000
	Dorm C Electrical	2,500	2,500
	Dorm C Walls, Doors	3,500	3,500
	Dorm C Bathrooms	10,000	10,000
	Table and Chairs	5,000	5,000
	Lawnmower	5,000	5,000
	Water/Hydrant	6,500	6,500
	Driveway	5,000	
	Generator Project	15,687	15,687
	Shed for Trailers	9,200	9,200
	Truck	26,000	26,000
Building Inspections	Truck	26,000	26,000
Division on Aging	2 Vans (10% County)	106,178	106,178
Extension	Van	30,000	30,000

Capital Items - continued			
Department	Capital Item	Requested	Proposed
Parks & Recreation	Trailer	3,000	3,000
	Zero Turn Mower	7,500	7,500
	PARTF Grant (50% County)	525,525	525,525
Library	Ford Transit Connect Wagon	30,428	30,428
DSS	Reception Area	12,000	12,000
	Lobby Furniture	10,000	10,000
	Paint	18,500	18,500
	Roof Replacement	183,869	183,869
EMS	Miscellaneous	4,000	4,000
	GPS Tracking Units for Ambulances	10,800	10,800
	Refurbished Cardiac Monitors	22,200	22,200
	DV203 Windshield Cameras	9,500	9,500
	Toughbooks Computers	4,800	4,800
	New Ambulances	148,000	148,000
	Remount/Refurbish 2 Ambulances	197,600	197,600

Education

The proposed current expense appropriation to Bladen County Schools is \$6,700,245 including \$300,000 in additional funding anticipated from the sales tax expansion. This amount is an increase of 4.7% over the current year appropriation.

A significant portion of the revenue generated by Articles 40 and 42 one-half cent sales taxes is dedicated to capital outlay and debt service for the public schools. The budget includes the second year of a three year appropriation of \$167,000 from sales tax revenue for the replacement of lap top computers for high school students. Also, \$900,000 in sales tax revenue is reserved for the bond payment (16 of 20) for the two high schools, as well as \$105,661 for the Qualified School Construction Bond payment (6 of 15) associated with capital projects at Tar Heel and Bladenboro Middle Schools. The remaining sales tax revenue of \$241,831 is budgeted for capital outlay purposes. However, the Board of County Commissioners has requested that, prior to approval and transfer, the school system identify the intended use of these capital funds.

The proposed current expense appropriation to Bladen Community College is \$909,409 including an additional \$106,144 anticipated from the sales tax expansion. This amount fully funds the College's current expense request and represents a 13.2% increase for campus security, custodial assistance and other operating expenses.

Service Agencies

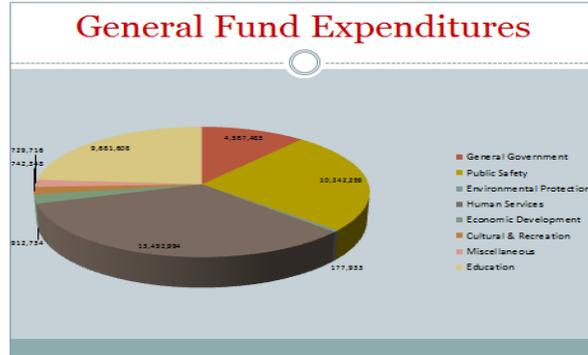
The Bladen County Forest Service appropriation is \$190,960, a 7.3% increase over the current year appropriation. The purpose of this increase is to provide a 40% local share of new truck purchase.

The requested and proposed appropriation for operating expenses at the Elizabethtown Airport remains \$40,000.

The proposed budget includes an appropriation of \$3,500 to the Elizabethtown – White Lake Area Chamber of Commerce to assist in promoting the greater Bladen County community.

The proposed budget includes \$25,000 for appropriations to the Bladenboro, Elizabethtown and Tar Heel volunteer rescue squads. Funding is not included for Clarkton since it has not been providing service during the past year.

The following graph depicts General Fund expenditures by function:



Bladen County Water District

Water sales at the current rate structure provide stable funding for operating expenses and debt service. The annual debt service appropriation of \$1,112,514 represents 54% of the budget. Capital funding of \$40,000 is included for two Ford F-150 pick-ups. Tar Heel Water Corporation was recently acquired at no cost by the Bladen County Water District. This provides approximately 100 new water customers.

Consulting engineers are exploring the feasibility of a proposed Phase IV system expansion and meter replacement project. This project would likely require an adjustment to the existing rate structure.

Solid Waste Fund

The \$70.00 disposal fee and \$60.00 collection fee remain unchanged for the 15th consecutive year. Funding is included in the budget to maintain operations at the seventeen collection centers throughout the county. A reduction in budgeted recycling revenue is due to a decline in the national market for recyclables.

Fire Districts

Fire District tax rates remain unchanged.

Rate	Rate
Ammon .070	Atkinson .070
Bay Tree .090	Bladenboro Rural .050
Carvers Creek .050	Clarkton .060
Dublin .065	East Arcadia .070
Elizabethtown Rural .070	Hickory Grove .080
Kelly .070	Lisbon .070
Tar Heel .065	Tobermory .025
White Lake .060	White Oak .060
General .025	Rowan .070
	Budget not received

Summary

The Bladen County FY 2016-2017 Proposed Budget is hereby presented to the Board of County Commissioners. The proposed tax rate is \$.82 per \$100 valuation. The budget invests heavily in funding for Education, Public Safety, and Human Services.

I would like to thank department managers for the leadership they provide to our many departments and agencies. There are budgetary constraints each year, and I appreciate their efforts to work within conservative budgets to achieve our County's vision of "providing customer focused county services efficiently and responsibly."

A special "thank you" goes to Finance Director Lisa Coleman for her conscientious work ethic and attention to detail in the development of this budget and associated documents.

Thank you for your consideration of this proposal and we look forward to working with you as the budget process is completed.

Respectfully submitted,

Gregory J. Martin