



BUDGET MESSAGE

COUNTY OF BLADEN

May 17, 2021

Bladen County Board of Commissioners:

I am pleased to present for your consideration, the FY 2021-2022 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 \$60,608,137 including \$47,608,914 in the General Fund and Non-General Fund operating plans totaling \$12,999,223.

The proposed General Fund Budget of \$47,608,914 represents an increase of 5.8% in relation to the FY 2021 Adopted Budget. This increase is due in large part to a significant investment in capital items, a cost of living adjustment (COLA) for employees, as well as rising costs for health insurance and the retirement system contribution. While the budget does not include sufficient funding to meet all of the needs identified in budget requests, it maintains funding for existing services, including Bladen Community College and Bladen County Schools.

The Board of County Commissioners began the annual budget process in February by inviting citizen input, through a survey, regarding priority issues and services for the upcoming fiscal year. Additionally, a Pre-Budget Hearing was held on February 15, 2021 to provide an opportunity for citizens to personally address the Board with suggestions and priorities to be considered in developing the FY 2022 budget.

One year ago, COVID-19 had clearly become the dominant issue. While there was a great deal of uncertainty regarding its effect on the economy, the proposed FY 2021 budget was developed with the optimistic approach that COVID-19 would have a relatively short-term impact during the course of this fiscal year. Therefore, rather than implementing serious cost reduction strategies, an effort was made to maintain service levels, staffing, and the existing tax rate. Fortunately, although COVID has had a tremendous impact on the national economy during the past year, it has not had a dire impact on the County's finances. Additionally, the Coronavirus Relief Fund (CRF) provided much needed financial assistance to fund a wide range of measures taken to protect the public and prevent the spread of the virus. Therefore, at this point in time, more difficult budget reduction methods have not been necessary.

In looking toward the future, financial sustainability poses an ongoing challenge for Bladen County. Due to increasing demand for public safety and other essential county services, additional revenue is needed each year to deliver these services. However, with limited growth in the property tax base and with the uncertain financial impact of new federal and state initiatives such as Medicaid Transformation, it is becoming increasingly challenging for revenues to keep pace with the level of expenditures necessary to provide important county services. Therefore, continued fiscal discipline is important with Bladen County's finances. Fortunately, the American Recovery Plan will provide approximately \$6.3 million to Bladen County to be used by December 2024 for pandemic related recovery efforts.

Revenue Overview

The proposed budget includes a projected tax base of \$2,959,508,754. The tax rate remains \$.82 per \$100 valuation. An anticipated collection rate of 95.50% for real and business-personal property,

100% for motor vehicles, and 100% for public utilities will generate a combined collection rate of 96.17%. This collection rate reflects a slight increase due to stronger property tax collections.

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

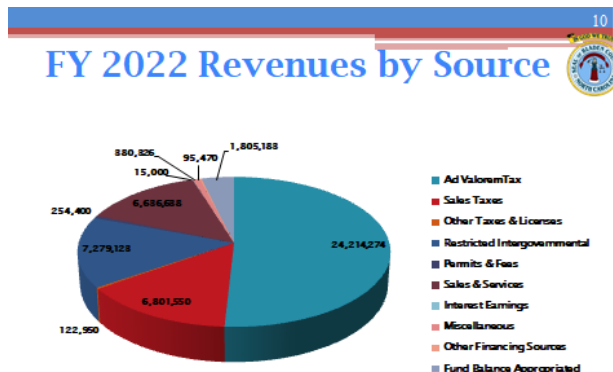
Ad Valorem Taxes

| | Value | | Projected Tax Base | Rate | | Collection Rate | Total |
|-------------------|-----------------|-------|--------------------|--------|---------------|-----------------|---------------|
| Real Property | \$2,006,781,640 | 97.5% | \$1,956,612,099 | 0.0082 | \$ 16,044,219 | 0.9550 | \$ 15,322,229 |
| Personal Property | \$ 574,549,290 | 97.5% | \$ 560,185,558 | 0.0082 | \$ 4,593,522 | 0.9550 | \$ 4,386,814 |
| Motor Vehicles | \$ 292,889,306 | 97.5% | \$ 285,567,073 | 0.0082 | \$ 2,341,650 | 1.0000 | \$ 2,341,650 |
| Public Utilities | \$ 157,144,024 | 100% | \$ 157,144,024 | 0.0082 | \$ 1,288,581 | 1.0000 | \$ 1,288,581 |
| | | | | | | | \$23,339,274 |

Revenue from sales tax has unexpectedly increased during the past year. This is a much better situation than was anticipated at the outset of the pandemic when state and national guidance recommended that local governments prepare for a sizeable decrease in sales tax revenue. For the upcoming fiscal year, sales tax is estimated to generate \$6,801,550, or approximately 14.29 percent of the County's General Fund revenue.

Interest rates have trended downward significantly over the past two years. The anticipated amount of revenue to be generated by interest income in the upcoming budget is \$15,000. This is a reduction of \$365,478 from the FY 2020 audited amount.

As highlighted in the chart below, property taxes exceed one-half of the total revenue in the General Fund.



EXPENDITURE OVERVIEW

The budget includes funding for the County's core functions of Education, Public Safety and Human Services. Total General Fund expenditures in the proposed budget are approximately 5.8% higher than expenditures in the FY 2021 adopted budget. This increase is primarily due to a cost of living adjustment (COLA) for employees, an increasing cost for employee benefits, and a large number of capital items. Operating budgets are generally maintained at current year levels.

Personnel

Requests for nine full-time positions were received from a number of departments. However, the proposed budget limits funding to two EMS positions needed to provide additional County coverage due to pending closure of Elizabethtown Rescue Squad.

| FY22 Requested/Proposed Personnel | | |
|---------------------------------------|--------------------------------------|------------------|
| Department | Position | Total w/benefits |
| Human Resources | Personnel Technician I - Split w/DSS | 26,925 |
| Health | Public Health Nurse | 69,896 |
| DSS | CPS Social Worker III IA&T | 64,578 |
| | Social Worker III APS | 61,263 |
| | IMC II Fraud Investigator | 52,003 |
| | Personnel Technician I - Split w/HR | 26,925 |
| | IMC III | 51,552 |
| | Systems Admin I | 52,505 |
| EMS | Paramedic | 56,668 |
| | Basic - EMT | 45,806 |
| Total General Fund | | 508,121 |
| Less approximately 50% - DSS Revenues | | -154,413 |
| | | 353,708 |
| Sheriff | 5% Requested Raise | 369,592 |

Employee Compensation/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 approximately \$105,725 in additional funding to provide automatic step increases for eligible employees. Additionally, in response to feedback and input received by the Board during the May 3rd budget meeting, the proposed budget includes funding for a five percent cost of living adjustment (COLA) for County employees.

One of the significant challenges associated with the proposed budget is funding the rising cost of employee benefits.

The employer contribution for the North Carolina Local Government Employees Retirement System has increased annually for a number of years, and will increase to 11.42% of general employees' salaries (1.21% increase) and 12.04% of law enforcement officers' salaries (1.14% increase). Retirement system projections indicate that increasing annual contributions will be required for at least one more year.

As a member of the State Health Plan, Bladen County has experienced moderate premium increases in recent years. While rates have not been approved for the upcoming year, the budget includes a 5% increase in health insurance premiums effective January 2022. A monthly pre-tax payroll deduction of \$50.00 is required for participants in the Enhanced 80/20 plan and a monthly deduction of \$25.00 is required for participants in the 70/30 plan. However, certain employees may be charged additional amounts related to tobacco use.

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 \$7,740,333, an increase of \$400,171. Of this appropriation, county funding will total \$2,753,745, an increase of \$273,650. This large increase is related to a COLA, step increases and benefits, as well as additional items including a software upgrade, flooring, paving, and a new vehicle.

The Bladen County Health Department provides quality healthcare services to the citizens of Bladen County. The County’s allocation is \$1,275,196 or approximately 40.5% of the Health Department Budget. This appropriation includes \$50,000 for an upgrade to CureMD medical software.

The Division on Aging budget includes funding for a covered drop off shelter at the senior center. For the second year, the Bladen Area Rural Transportation Service (BARTS) will be substantially funded by CARES Act funds rather than the traditional source of funding through NC Department of Transportation Rural Operation Assistance Programs (ROAP).

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

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Human Services - Sources of Revenue 

| | Intergov't | Fees/ Others | County | FBA | Total Expenditures |
|-------------------|------------------|-----------------|------------------|----------------|-----------------------|
| Social Services | 4,986,588 | | 2,753,745 | | 7,740,333 |
| Public Health | 1,282,086 | 485,760 | 1,275,196 | 105,000 | 3,148,042 |
| Mental Health | | 4,000 | 48,725 | | 52,725 |
| Division on Aging | 695,117 | | 526,203 | | 1,221,320 |
| TOTAL | 6,963,791 | 489,760 | 4,603,869 | 105,000 | 12,162,420 |

Public Safety

Due to an increasing demand for service, Public Safety has become the largest category of the county budget.

The Sheriff’s Office budget (including the Detention Center) will increase \$535,609 or 6.5% over FY 2021. This increase is primarily related to the housing of an increased number of federal inmates which began in December 2019. Revenue associated with this program supports the cost of eight detention officers and one maintenance position, as well as the debt service payment for the Law Enforcement and Detention Center. Also included is \$100,000 for an upcoming VIPER radio project, \$300,000 for the purchase of 10 patrol vehicles, and \$40,000 for a portable HVAC system to serve as a temporary backup when needed.

The EMS budget totals \$3,659,432. The budget includes funding for a new Paramedic and one Basic-EMT to assist in providing additional coverage related to closure of the Elizabethtown Rescue Squad. Funding is also included for one new ambulance and one remount, a quick response vehicle, power stretcher, and parking lot paving at the EMS base. In association with Medicaid Transformation, \$80,000 is budgeted as an Intergovernmental Transfer (IGT). The budget includes the second of five annual payments for twelve Zoll Monitors purchased in FY 2021.

Funding in the amount of \$93,700 is included in the Emergency Services budget for improvements at the Public Safety Training Center.

The following chart illustrates proposed capital items.

| 14 | | | 15 | | | |
|----------------------------|--|----------|----------------------------|--|-----------------------|--------|
| Capital & Non-Inventorable | | | Capital & Non-Inventorable | | | |
| Department | Item | Proposed | Department | Item | Proposed | |
| GIS | Servers | 6,200 | EMS | New Phase II Radios (2 Ambulances) | 6,200 | |
| Central Services | Health Department Paving | 75,000 | | Kelly EMS Building Generator | 8,800 | |
| | Division on Aging Paving | 29,000 | | Phase II Radio (New ORV) | 3,100 | |
| | DSS Reception Counter Renovation | 25,000 | | Styker Power Stretcher | 21,500 | |
| | | | | Pave EMS Parking Lot | 50,000 | |
| Motor Pool | Resurface Entry Drive/Pave Garage Aprons | 35,000 | | New Type III Ambulance | 159,800 | |
| Sheriff | VIPER Equipment Upgrades | 100,000 | | Remount Type I Ambulance | 121,000 | |
| | Patrol Cars | 300,000 | | Quick Response Vehicle (4x4) | 33,500 | |
| | Portable HVAC for Detention Center | 40,000 | Forestry | Truck | 20,138 | |
| Animal Control | Dog Box | 8,000 | Facilities Fees | Courthouse - Repaint Exterior Trim | 37,500 | |
| | Truck | 25,000 | | Courthouse - Install Building Maintenance System | 22,000 | |
| Emergency Services | Vinyl Siding - Kitchen | 12,000 | DSS | Crossover Vehicle | 20,000 | |
| | Fence - Front of Training Center | 29,700 | | | Carpet Replacement | 42,000 |
| | Sidewalk Repairs | 10,000 | | | Resurface parking lot | 39,000 |
| | Metal Shelters for Trailers | 20,000 | | Upgrade CoPilot to Traverse Software | 155,590 | |
| | Building ID with Master Signage | 4,000 | | | | |
| | Roof for Block Building | 18,000 | | | | |
| | Rehab Trailer (Jones County-Grant) | 38,000 | | | | |

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|----------------------------|---|-----------|
| Capital & Non-Inventorable | | |
| Department | Item | Proposed |
| Parks and Recreation | Replace Facial Boards and Gutter on Gym | 12,000 |
| | Grade and Level Gym/Office Parking Lot | 15,000 |
| | Replace Zero Turn Mower | 8,500 |
| | 701 Park Paving/Rock | 100,000 |
| Library | 2021 Ford Transit Connect Cargo Van | 32,570 |
| Bladen Community College | Renovate restroom campuswide | 314,875 |
| | ADA Compliant door openers | 44,800 |
| | Various renovations to meet ADA | 14,100 |
| | ADA requirements for outside | 26,225 |
| Health | CureMD Upgrade | 50,000 |
| Division on Aging | Covered Breezeway | 60,000 |
| | Total | 2,193,098 |

Education

The proposed current expense appropriation to Bladen County Schools is \$6,831,521. This amount fully funds the school system's request.

On May 1, 2021 the debt was retired for East and West Bladen High Schools. The \$900,000 in sales tax previously allocated for this bond payment has been set aside for future debt payments associated with the proposed K-8 school in Tar Heel. An appropriation of \$750,000 has also been reserved for future school system capital projects.

Based on the recent, positive growth in sales tax, the capital appropriation for Bladen County Schools is \$671,950.

The proposed current expense appropriation to Bladen Community College is \$1,064,551. This is the amount requested by the College and it maintains the FY 2021 appropriation. Although, \$2,463,500 has been requested for capital projects, \$400,000 is included in the proposed budget to address issues identified in an Americans with Disabilities Act (ADA) review.

Service Agencies

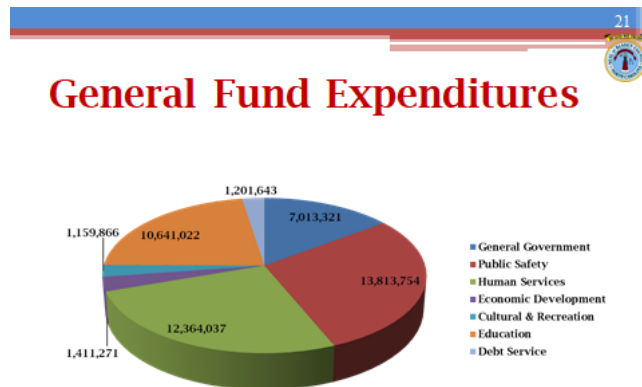
The appropriation to the Bladen County Forest Service fully funds the requested amount of \$218,966. This includes funding, in the amount of \$20,138, for a pickup truck.

The proposed appropriation for the Elizabethtown Airport is \$45,000.

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 \$12,200 in appropriations to the Bladenboro volunteer rescue squad and \$15,600 to Bladen County Water Rescue.

The following graph depicts General Fund expenditures by function:



Bladen County Water District

The Phase IV water system expansion project is nearing completion. This project includes a new well, approximately 27 miles of water lines, and the replacement of 6,400 water meters with radio read meters.

The annual debt service appropriation of \$1,341,225 represents 51% of the budget. Capital funding of \$82,000 is included for a pick-up truck, walk behind trencher, and parking lot paving.

Solid Waste Fund

The Solid Waste budget includes funding for a number of capital items, including repairs to the transfer station floor and canopy walls, and the addition of a compactor at the transfer station collection site. In order to preserve cash in the Solid Waste fund, the budget also includes a \$170,000 loan from the General Fund for the purchase of a replacement roll-off truck. This loan includes a five year term with an interest rate of two percent.

Fire Districts

Requested Fire District tax rates are reflected below. Dublin Fire District has requested an increase from \$0.065 cents to \$0.098 cents per \$100 valuation for the purpose of staffing the station during day time hours.

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Fire Districts

| | Rate | | Rate |
|---------------------|------|------------------|------|
| Ammon | .070 | Atkinson | .070 |
| Bay Tree | .090 | Bladenboro Rural | .050 |
| Carvers Creek | .050 | Clarkton | .060 |
| Dublin | .098 | East Arcadia | .070 |
| Elizabethtown Rural | .070 | Hickory Grove | .080 |
| Kelly | .070 | Lisbon | .070 |
| Tar Heel | .100 | Tobermory | .050 |
| White Lake | .060 | White Oak | .060 |
| General | .025 | Rowan | .070 |

| | |
|----------------|---------------------|
| *Rate Increase | Budget not received |
|----------------|---------------------|

Summary

The Bladen County FY 2021-2022 Proposed Budget is hereby presented to the Board of County Commissioners.

Fortunately, even during the past year dominated by COVID, property tax and sales tax revenue has remained strong and improved the County’s financial position. Projections for the upcoming year, based on trend data, enable Bladen County to invest in its employees and fund numerous capital projects, while maintaining a tax rate of \$.82 per \$100 valuation.

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 Officer 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