



BUDGET MESSAGE COUNTY OF BLADEN May 19, 2022

Bladen County Board of Commissioners:

I am pleased to present for your consideration, the FY 2022-2023 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 \$68,893,874, including \$52,696,671 in the General Fund and \$16,197,203 in Non-General Fund operating plans.

The proposed General Fund Budget of \$52,696,671 represents an increase of 10.4% in relation to the FY 2022 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 provides a substantial increase in funding for Bladen Community College and Bladen County Schools. It also provides funding for economic development, parks and recreation, and other priority issues identified in the recently adopted Strategic Plan.

The Board of County Commissioners began the annual budget process in February by inviting citizen input, through an online survey, regarding priority issues and services for the upcoming fiscal year. Additionally, a Pre-Budget Hearing was held on February 21, 2022 to provide an opportunity for citizens to personally address the Board with suggestions and priorities to be considered in developing the FY 2023 budget.

COVID-19 was clearly the dominant issue for the past two years. While there was a great deal of uncertainty regarding its effect on the economy and the County budget, the reality, until recently, has been relatively positive. Sales tax and other revenues have increased, and millions of federal dollars was distributed to local governments and school systems through programs such as the Corona Virus Relief Fund and the American Recovery Plan Act.

However, in looking toward the future, economic pressures are quickly emerging with inflation increasing at a rate not experienced in the United States in forty years, fuel prices currently breaking records, and wages increasing at unusually high rates. These factors are beginning to have an effect on the County's budget. An additional long-range concern is that rising interest rates, intended to tame inflation, may actually slow the economy and lead to a recession. With the existing inflationary pressure from rising prices mentioned above, any potential recessionary effects, such as a decline in sales tax and other revenues, would pose a serious strain on the County's finances. Therefore, continued fiscal discipline is important.

Revenue Overview

The proposed budget includes a projected tax base of \$3,293,543,990. The tax rate represents a revenue neutral rate of \$.775 per \$100 valuation. An anticipated collection rate of 95.60% for real and business-personal property, 100% for motor vehicles, and 100% for public utilities will generate a combined collection rate of 96.25%. 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:

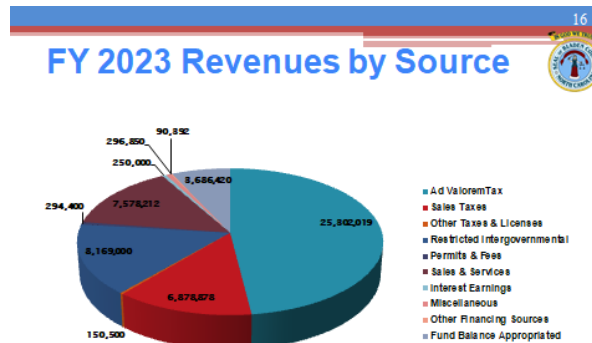
	Value		Projected Tax Base	Rate		Collection Rate	Total
Real Property	\$2,295,876,421 less Appeals 38,973,904	98%	\$2,192,458,859	0.00775	\$ 16,991,556	0.9560	\$ 16,243,928
Personal Property	\$ 630,531,079	98%	\$ 617,920,457	0.00775	\$ 4,788,884	0.9560	\$ 4,578,173
Motor Vehicles	\$ 315,868,089	100%	\$ 315,868,089	0.00775	\$ 2,447,978	1.0000	\$ 2,447,978
Public Utilities	\$ 167,296,585	100%	\$ 167,296,585	0.00775	\$ 1,296,549	1.0000	\$ 1,296,549
							\$24,566,628

During the past year, revenue from sales tax has fortunately maintained the record level reached in FY 2021. 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. We are hopeful that the economy will continue to remain strong. For the upcoming fiscal year, sales tax is estimated to generate \$6,878,878, or approximately 13.05 percent of the County’s General Fund revenue.

Interest rates spiraled downward during the past two years. However, in an effort to curb the high rate of inflation, the Federal Reserve recently began the first of a series of scheduled interest rate increases over the course of this year. This is positive for Bladen County from a revenue standpoint, as interest income is estimated to generate approximately \$250,000 in the upcoming budget. This is an increase of \$230,556 from the FY 2021 audited amount.

The Bladen County Detention Center houses approximately 100 federal and state inmates, thereby generating significant revenue for Bladen County. In recent months, the State increased the daily rate paid for misdemeanants from \$40 per day to \$60 per day, contingent on the completion of 500 hours per month of litter cleanup service. With an estimated 20 inmates, this additional revenue totals \$146,000 annually. During the past year, the detention center transitioned to PayTel telephone service. This service benefits inmates and is positive for the County, generating additional revenue of approximately \$140,000.

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 10.4% higher than expenditures in the FY 2022 adopted budget. This increase is primarily due to compensation adjustments for employees, an increased cost for employee benefits, a large increase in funding for education, and a large number of capital items. Other than additional funding for rapidly rising fuel costs, most 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 includes no additional full-time positions.

Department	Position	Total w/benefits
Sheriff	3% COLA	268,145
Emergency Services	PT to FT Building Grounds Maintenance	47,139
Health	Computer System Admin I (50%)	31,989
	PT-WIC	15,744
	FNP	114,640
	2-PHN II	149,279
Extension	PT Office Support	11,842
Parks & Recreation	Administrative Support Specialist	43,096
DSS	PT- Personnel Tech – Currently Contract Services	16,955
	IMC III Audit - Reassignment	56,265
	SW III APS	66,656
	Computer System Admin I (50%)	35,683
	Less Approximately 50%	175,558 87,779 87,779
Total General Fund		789,651
Water	Accounting Tech I	45,454

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 \$108,787 in additional funding to provide automatic step increases for eligible employees. Additionally, funding is included for a three percent cost of living adjustment (COLA) for most County employees, or a \$15 minimum hourly rate, whichever is greater. The quickly changing job market for public safety employees is creating a hardship in retaining valued employees and recruiting qualified candidates to fill open positions. This is due in part to increasing competitive wages being paid in neighboring counties. This issue has the potential to hinder Bladen County’s efforts to achieve the vision outlined in the Strategic Plan of making the county a safe and enjoyable place to live, work, play and visit. Therefore, it is proposed that additional funding be included to provide compensation increases for sworn law enforcement and detention officers, paramedics and advanced EMTs.

One of the easily overlooked 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 12.15% of general employees’ salaries (0.73% increase) and 13.04% of law enforcement officers’ salaries (1.00% 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 historically experienced moderate premium adjustments until January when rates unexpectedly increased twenty-five percent. Fortunately, a nine percent rate decrease is scheduled for January 2023. However, even with this decrease, the overall cost for employee health coverage has increased \$377,465 over the original budget for the current year. The employee contribution remains unchanged. 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 \$8,781,091, an increase of \$1,040,758. Of this appropriation, county funding will total \$3,012,824, an increase of \$259,079. This large increase is related to a COLA, step increases and benefits, as well as additional items including three new vehicles.

The Bladen County Health Department provides quality healthcare services to the citizens of Bladen County. The County’s allocation is \$1,337,591 or approximately 40.36% of the Health Department Budget.

The Division on Aging provides quality services to the citizens of Bladen County. The County’s allocation is \$625,329 or approximately 53.72% of the Division on Aging’s Budget.

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	5,768,267		3,012,824		8,781,091
Public Health	1,288,312	583,600	1,337,591	105,000	3,314,503
Mental Health		4,000	48,725		52,725
Division on Aging	538,692		625,329		1,164,021
TOTAL	7,595,271	587,600	5,024,469	105,000	13,312,340

Public Safety

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

The Sheriff’s Office budget (including the Detention Center) will increase \$782,159 or 8.9% over FY 2022. In addition to the retention and recruitment proposal referenced above, the budget also includes \$300,000 for the purchase of 10 patrol vehicles.

The EMS budget totals \$3,944,870. Funding is also included for one Type 111 remount ambulance, one Type 11 ambulance, a quick response vehicle, mini split HVAC unit, four stair chairs, commercial washer and dryer, windshield cameras, and a power stretcher. In association with Medicaid

Transformation, \$60,000 is budgeted as an Intergovernmental Transfer (IGT). The budget includes the third of five annual payments for twelve Zoll Monitors purchased in FY 2021.

Funding in the amount of \$53,700 is included in the Emergency Services budget for improvements at the Public Safety Training Center. Items are listed in the charts below.

The following chart illustrates proposed capital items.

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Capital & Non-Inventorable				Capital & Non-Inventorable			
Department	Item	Requested	Proposed	Department	Item	Requested	Proposed
Finance	Administrative Building Flooring	10,000	10,000	EMS	Mini Split HVAC	3,500	3,500
Central Services	Operations Maintenance & Storage Building	130,000	130,000		Stryker Stair Chair	13,200	13,200
	Repair Roof Board of Elections Building	160,000	160,000		Whirlpool Commercial Washer & Dryer	3,000	3,000
	Operations Maintenance Truck w/Tool/Body	49,000	49,000		Fleet 250 Windshield Camera System	26,570	26,570
Motor Pool	Pave Driveways and Aprons	40,000	40,000		Stryker Power Stretcher	21,500	21,500
Sheriff	Patrol Cars	300,000	300,000		QRV	39,500	39,500
					Remount Type III Ambulance	146,500	146,500
Animal Control	Dog Box	8,000	8,000		Type II Ambulance	105,000	105,000
	Truck	25,000	30,000	Health	CureMD Upgrades	50,000	50,000
Emergency Services	Clear Touch Board for Big Classroom	6,200	6,200	Extension	New or Used Truck	40,000	40,000
	Metal Shelter for Trailers	25,000	25,000	Parks & Recreation	King Street Gym Renovations	445,000	220,000
	Run Power and Add Light to Metal Shelter	6,000	6,000		PARTF Grant Application (50% Match)	395,850	395,850
	Sidewalk Repairs	10,000	10,000		Lot/Walking Trail	12,000	12,000
	Sound Panels for Big Classroom	2,500	2,500	Library	Glass & Framing for windows & storefront glass	265,000	265,000
	Utility Trailer for Lawnmower	4,000	4,000		LED Informational Sign	26,000	26,000
	Portable Light Tower	15,000	15,000		Lighting & Installation-Interior/exterior	52,200	

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Capital & Non-Inventorable				Capital & Non-Inventorable				
Department	Item	Requested	Proposed	Department	Item	Requested	Proposed	
Bladen Community College	Renovate roofs on buildings 8 & 10	68,640	68,640	Bladen Community College-continued	Maintenance funds for maintaining campus infrastructure	104,000		
	Cosmetology roof replacement (Total 260,000)	78,000	78,000			Window replacements	130,000	
	Security upgrades (Total 120,960)	94,960	94,960			Removal of wheelchair access ramp (Building 2)	65,000	
	ADA compliant door openers (Total \$62,400)	20,800	20,800			Replacement of plant operation center	312,000	
	Campus bridge safety rail replacement	26,000	26,000		Facilities Fees	Replace Electrical Service Entrance	250,000	
	Sewer assessment and grinder	50,000	50,000		DSS	3 new vehicles	60,000	60,000
	Generator for buildings 1, 2, and 10	200,000	200,000			Total	5,231,546	2,694,120
	Replace classroom floors in building 1	62,400	62,400					
	Resurface campus owned street	88,400						
	Campus-wide energy management system	171,600						
Campus lighting improvements	161,200							
	Replace campus drainage systems	150,800						
	Maintenance storage shed renovations	26,000						
	Maintenance shop renovations & pave maintenance facility area	104,000						
	Renovate Parker Building classrooms	104,000						
	Remaining bridge replacements	83,200						

Education

The proposed current expense appropriation to Bladen County Schools is \$7,514,673. This represents a 10% over FY 2022 and is \$329,486 short of the school system's full request of \$7,844,159. One of the important purposes for this increase is to increase the local supplement paid to teachers in the Bladen County school system.

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. For approximately two years, an appropriation of \$750,000 has also been reserved for future school system capital projects. However, because of the recent \$32 million grant award for the Tar Heel project, the budget includes a proposal to discontinue the annual \$750,000 reserve for future capital projects. Rather, \$683,152 is allocated to increase the current expense appropriation for FY 2023, with \$66,848 (the balance of \$750,000) reserved for future unspecified purposes.

Based on positive sales tax revenue projections, the capital appropriation for Bladen County Schools is \$673,837.

The proposed current expense appropriation to Bladen Community College is \$1,177,008. This is a 10% increase and fully funds the College’s request. Although, \$2,473,626 has been requested for capital projects, \$600,800 is included in the proposed budget to address projects identified as critical needs.

Economic Development

The proposed appropriation to Economic Development is \$1,549,732, an increase of \$1,109,750. This increase represents two product development projects proposed totaling \$1,100,000. The budget also includes \$114,932 resulting from the organizational restricting during the past year. This amount is earmarked for a yet to be determined purpose.

Service Agencies

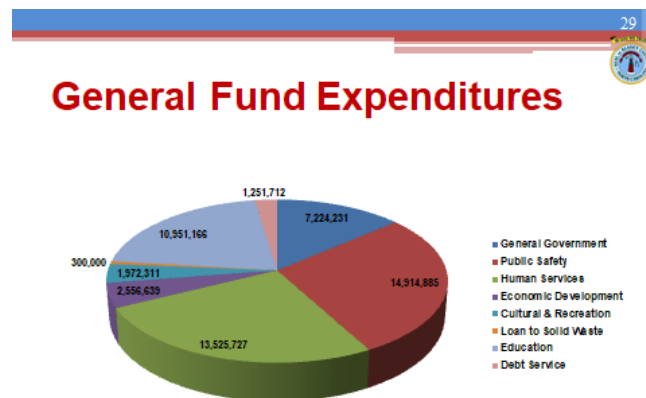
The appropriation to the Bladen County Forest Service fully funds the requested amount of \$239,744. This includes funding, in the amount of \$20,800, for a pickup truck.

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 \$15,500 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 \$1,242,479 represents 48% of the budget. Capital funding of \$40,600 is included for a pick-up truck, and automatic flushers.

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 \$300,000 loan from the General Fund for the repairs to the floor and walls. This loan includes a five year term with an interest rate of two percent.

Fire Districts

Requested Fire District tax rates are reflected below. Elizabethtown Fire District has requested an increase from \$0.070 cents to \$0.100 cents per \$100 valuation.

	Rate		Rate
Ammon	.070	Atkinson	.070
Bay Tree	.090	Bladenboro Rural	.050
Carvers Creek	.050	Clarkton	.060
Dublin	.098	Elizabethtown Rural	.100
Hickory Grove	.080	Kelly	.070
Lisbon	.070	Tar Heel	.100
Tobermory	.050	White Lake	.060
White Oak	.060	General	.025
Rowan	.070	ADR	.120
Buckhead	.090		
Have budget not signed	Rate Increase	Budget not received	

Summary

The Bladen County FY 2022-2023 Proposed Budget is hereby presented to the Board of County Commissioners.

Fortunately, Bladen County is in good financial condition leading into the upcoming fiscal year. Due to an increase in property values associated with the 2022 revaluation, the proposed tax rate is \$0.775 per \$100 valuation. The budget invests heavily in public safety, education, and economic development projects, all of which support the County’s recently adopted Strategic Plan.

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