



BUDGET MESSAGE COUNTY OF BLADEN

May 20, 2024

Bladen County Board of Commissioners:

I am pleased to present for your consideration, the FY 2024-2025 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 \$80,774,898, including \$62,196,923 in the General Fund and \$18,577,975 in Non-General Fund operating plans.

The proposed General Fund Budget of \$62,196,923 represents an increase of 12% over the FY 2024 Adopted Budget. This increase is due to a number of key factors, including increased funding for Social Services, capital/one-time items, employee compensation and benefits, as well as increased funding for Education. While the budget does not include sufficient funding to meet all of the needs identified in budget requests, it does include funding to continue building on the tremendous progress made during the past year in working toward the goals and priorities identified in the County's Strategic Plan, adopted in 2022.

Economic pressures caused by inflation, which has increased at a rate not experienced in decades in the United States, as well as wage growth at unusually high rates, are having a real effect on the County budget. An additional longer range concern is that this past year's rapid rise in short term interest rates, intended to tame inflation, has led to an inverted yield curve. This is seen by some economists as an indicator of an impending recession. With the existing inflationary pressure from rising prices, 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 \$3,376,876,438 and a tax rate of \$.785 per \$100 valuation. An anticipated collection rate of 96% for real and business-personal property, 100% for motor vehicles, and 100% for public utilities will generate a combined collection rate of 96.62%. 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	\$2,306,855,659	98%	\$2,260,718,545	0.00785	\$17,746,640	0.9600	\$17,036,774
Personal Property	\$605,918,232	98%	\$593,799,867	0.00785	\$4,661,328	0.9600	\$4,474,875
Motor Vehicles	\$343,418,026	100%	\$343,418,026	0.00785	\$2,695,831	1.0000	\$2,695,831
Public Utilities	\$182,591,836	98%	\$178,940,000	0.00785	\$1,404,679	1.0000	\$1,404,679
			3,376,876,436		26,508,478		\$25,612,159

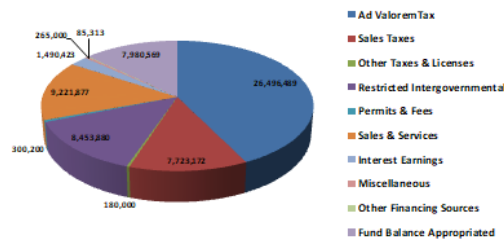
During the past year, revenue from sales tax has fortunately continued the upward trajectory that began in FY 2020. For example, from FY 2019 thru FY 2022 the Article 39 Local Option Sales Tax increased 47%. We are hopeful that the economy will continue to remain strong. For the upcoming fiscal year, sales tax is estimated to generate \$7,723,172, or approximately 12.42 percent of the County's General Fund revenue.

In an effort to curb rapid inflation in the United States, the Federal Reserve has increased interest rates several times since March 2022. This is positive for Bladen County from a revenue standpoint, as interest income is conservatively estimated to generate approximately \$1,490,423 for the upcoming year.

The Bladen County Detention Center houses approximately 75 federal inmates, generating \$2,053,125. Fortunately, the number of inmates housed in the state misdemeanor program is estimated to generate approximately \$615,000 for 28 state inmates. Misdemeanant revenue is contingent on the completion of 500 hours per month of litter cleanup service, which qualifies the County to receive a \$60 daily rate per inmate, rather than a \$40 daily rate without the required litter cleanup hours.

As highlighted in the chart below, property taxes account for approximately 47.7% of the total revenue in the General Fund.

FY 2025 Revenues by Source



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 12% higher than expenditures in the FY 2024 adopted budget. This increase is primarily due to compensation adjustments for employees, an increased cost for employee benefits, education, jail expenses, and a large number of capital items.

Personnel

The proposed budget includes eight additional full-time positions in the following departments: Human Resources, Finance, Health, Extension, and the Department of Social Services. Several reclassifications in Part-Time staff hours and a shift differential for weekend work at Emergency Medical Services.

FY 24-25 Requested Personnel			FY 24-25 Requested Personnel		
Department	Position	Proposed	Department	Position	Proposed
Human Resources	HR Administrative Assistant FT	59,836	Division on Aging	Transportation Specialist (FT in 23-24)	50,699
	HR Administrative Assistant PT	14,242		Transportation Specialist (PT in 23-24)	18,645
Elections	Technical Assistant PT	19,355	Administrative Assistant (FT in 23-24)	57,208	
	Technical Assistant PT	4,801	Administrative Assistant (PT 50% in 23-24)	29,923	
Finance	Accounting Tech I FT	62,197	Extension	Support Specialist FT	50,003
	Reclassify Staff	30,138		Support Specialist PT	17,440
Register of Deeds	Deputy Register of Deeds 53%	31,354	Library	Reclassify Library Assistant I to II	2,286
Emergency Services	GIS Addressing Tech PT	16,793	DSS	AP 5 SW III Mandated (BG 0 BC 100%)	73,383
Animal Control	Shelter Attendant PT	16,148		Foster Care SE III Mandated (BG 0 BC 100%)	73,383
Health	Environmental Health: Staff added 23-24	134,385		Personnel Technician PT	17,633
	Care Management: PHN II FT	93,141		Reclassify LW Adult Medi to Supervisor Mandated (50/50)	8,246
	Care Management: PHN II PT (2)	73,331	EMS	Weekend Shift Differential	21,700
	Health Promotion: Reclassify Educator I to II	10,398	Solid Waste	Landfill Attendant LCID Site	50,401
Resource Coordinator	59,870				
Veterans	Director PT 1000 Hours	39,251			
	Director 80% - 1560 Hours	82,126			

Employee Compensation/Benefits

Bladen County has dedicated employees who work diligently to provide quality services in an efficient manner. The Board of Commissioners has been extremely generous over the past two years in terms of providing additional compensation to all staff, with a particular emphasis on Public Safety personnel.

As an on-going aspect of the compensation plan, the proposed budget includes approximately \$274,881 in additional funding to provide automatic step increases for eligible employees. A Cost of Living Adjustment (COLA) is included for all employees with rates of ten percent (10%) for Sworn Officers and Detention Officers, six percent (6%) for general employees and four percent (4%) for Department Heads, Majors and Captains.

An annually recurring challenge 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 13.65% of general employees' salaries (0.75% increase)

and 15.04% of law enforcement officers' salaries (1.00% increase). Retirement system projections indicate that increasing annual contributions is part of an incremental increase projected to continue thru 2027.

As a member of the State Health Plan, Bladen County has historically experienced moderate premium adjustments, until January 2024 when rates unexpectedly increased fifteen percent (15%). While no rate information has yet been provided for 2025, the proposed budget includes a projected five percent (5%) increase effective in January. Due to change in providers from Blue Cross/Blue Shield to Aetna Insurance could go in higher or lower direction in January 2025. 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 is preparing for ongoing changes in Medicaid Expansion, there is a shift toward greater County funding responsibility. For example, the full appropriation for DSS will total \$10,336,266, an increase of \$597,695. Of this appropriation, county funding will total \$4,449,642, an increase of \$837,166.

The Bladen County Health Department provides quality healthcare services to the citizens of Bladen County. The County's allocation is \$1,858,149 or approximately 44.53% of the Health Department Budget.

The Division on Aging provides quality services to the citizens of Bladen County. The County's allocation is \$856,892 or approximately 61.39% 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	5,886,624		4,449,642		10,336,266
Public Health	1,386,432	762,839	1,858,149	165,000	4,172,420
Mental Health		4,000	48,725		52,725
Division on Aging	538,990		856,892		1,395,882
TOTAL	7,812,046	766,839	7,213,408	165,000	15,957,293

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 \$1,592,279 or 15.30% over FY 2024. Included in the budget is funding for the increased cost of inmate meals associated with the recent transition from Summit to Trinity Services Group, as well as, additional funding required for Inmate Medical contracts. Funding for four patrol vehicles was advanced in April 2024 to take advantage of available inventory. Therefore, funding for only six patrol vehicles is necessary to maintain the ten vehicles per year replacement schedule.

The EMS budget totals \$4,354,053, including \$335,300 for a number of capital items, including one ambulance. In association with Medicaid Transformation, \$37,500 is budgeted as an Intergovernmental Transfer (IGT). The budget also includes the fourth of five annual payments for twelve Zoll Monitors purchased in FY 2021.

Funding in the amount of \$27,000 is included in the Emergency Services budget for improvements at the Public Safety Training Center. Capital and One Items are listed in the charts below.

The following chart illustrates proposed capital items.

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Capital & One Time Items			Capital & One Time Items		
Department	Item	Proposed	Department	Item	Proposed
Elections	DS200 Voting Machines	40,000	Emergency Services	Classroom Training Tables	5,000
IT	Initial Setup for Off Site Backups	10,000		Recording and Streaming for Classrooms	5,000
Register of Deeds	Deed Book Restoration	24,800		Storage Cabinets for Classrooms	2,000
				Exterior Doors for Buildings	15,000
Central Services	Jail-Automatic Flushers	10,180	Building Inspections	Extended Cab Truck	50,000
	Animal Shelter - Paint Lobby, Bathrooms, and Offices	13,000	Forestry	Truck	35,600
	Elections-Paint Lobby/Work Area/Bathrooms	8,000	Health	Ice Machine	700
	ECOBEE Thermostats - ALL Buildings	20,400		Cars	60,000
	Courthouse-Replace Boiler and Chiller	500,000	Division on Aging	Cars	90,000
	Courthouse-Replace Electrical Service	500,000	Parks & Recreation	Soccer Goals (2 sets)	8,000
	Recreation-Reroof Gym Building	135,000		Bleachers (2 sets)	18,000
	Maintenance Truck	60,000		Turf Tank Painter (1 of 3) includes paint	8,000
Motor Pool	Lift for Large Ambulances	40,000	Library	ADA Compliant Circulation Desk w/storage	6,529
Sheriff's Office	Patrol Cars	210,000		Exterior Gate (Courtyard)	3,625
	Jail-Replace HVAC for Detention Center (1/3)	313,002		Exterior Paint-Building & Lawn Sign	38,370
	Video Surveillance System Upgrade	195,000			
	VIPER-Mandated Updates for 2025	50,000			

19			20		
Capital & One Time Items			Capital & One Time Items		
Department	Item	Proposed	Department	Item	Proposed
Bladen Community College	Campus Lighting Improvements	80,000	EMS	Mobile Data Terminals	18,500
	Campus-wide emergency management system (2 nd installment)	67,600		Replacement of Stair Chairs	12,000
	Maintenance Funds to maintain campus infrastructure	68,000		EMS Building Parking Lot Repairs	15,000
	Remaining bridge replacement (rollover)	20,800		Storage Building	12,000
	Renovate classroom spaces - Parker Bldg	104,000		Auto Plus System (CPR Device)	19,800
	Replace campus drainage system (Rollover)	52,000		Type III Ambulance	258,000
	Replace office floor - Building 2	50,000			
	Window Replacement-Thermopane Energy Efficient	78,000			
Bladen County Schools	Sales Tax	878,927			
	Capital - TBD by Bladen County Schools	2,336,248			
Emereau	New Athletic/Performing Arts Center (1 of 5)	200,000			
Paul R Brown Leadership Academy	Automatic Flushers	5,000			
	Replace Carpet in Sea Cadets Classroom	25,000			
	Replace Floors in PE Classroom	30,000			
	Sidewalk Repaving/Repair	10,000			
	Student Desks and Chair	50,000			

Education

The proposed current expense appropriation to Bladen County Schools is \$8,014,619. This remains the same as FY 2024 and is \$1,471,653 less than the school system's full request of \$9,486,272.

\$900,000 in sales tax revenue, previously allocated for the annual East and West Bladen school bond payment, has been set aside for debt payments associated with the K-8 school in Tar Heel. The Tar Heel project is financed for a ten year term with a 3.25% interest rate. The second payment in FY 2025 will be \$577,439 with declining interest payments over subsequent years. Therefore, the remaining balance of at least \$322,562 will continue to be set aside annually until needed for a specific project.

Based on positive sales tax revenue projections, the capital appropriation for Bladen County Schools is \$878,927 for capital needs. The proposed budget also includes an appropriation \$2,336,248 for undetermined items requested in the total capital budget of \$6,400,000. These funds will come from the unspent sales tax reserves.

Bladen Community College's current expense request and appropriation totals \$1,466,117. This total represents a 15% increase over the current year appropriation. The proposed budget also includes \$520,400 to fund projects identified in the capital improvement plan.

Economic Development

The proposed appropriation to Economic Development is \$687,610. Of this amount, \$491,461 is directly related to lease agreements with the NC Division of Motor Vehicles and NC Works.

Service Agencies

The appropriation to the Bladen County Forest Service fully funds the requested amount of \$288,105, an increase of 6.97%. This includes \$35,600 for the County share of a pickup truck.

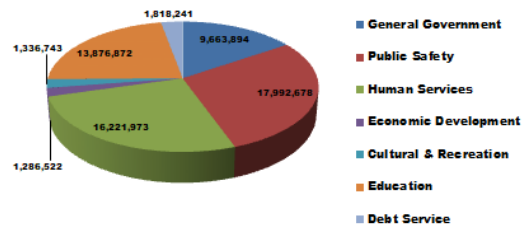
The proposed appropriation for the Elizabethtown Airport remains \$45,000.

The proposed budget includes an appropriation of \$5,500 to the Elizabethtown – White Lake Area Chamber of Commerce to assist in promoting the greater Bladen County community.

The proposed budget includes an appropriation of \$13,500 to Bladenboro Volunteer Rescue Squad and \$15,500 to Bladen County Water Rescue.

The following graph depicts General Fund expenditures by function:

General Fund Expenditures



Revaluation

The NC Department of Revenue (NCDOR) recommends that all counties conduct reappraisals by January 1 of the third year following notification that the County has failed to meet one of the following criteria:

1. The median sales ratio of real property pursuant to 105-284 falls below 90% or exceeds 110%, or
2. The overall trimmed coefficient of dispersion (COD), as determined by NCDOR, is above 25.

The 2023 NCDOR ratio study has determined that Bladen County had a trimmed COD of 25.85% and a median sales ratio of 84.45% and it is NCDOR's recommendation that the County conduct its next reappraisal to be effective January 1, 2026. Therefore, rather than the current year reserve of \$175,000, the proposed budget reserves a larger amount of \$250,000 toward the cost of the next revaluation.

Bladen County Water District

The Water District budget totals \$3,294,749, including a debt service appropriation of \$1,238,833 or 37.6% of the total budget. Capital funding of \$74,300 is included for a pick-up truck, automatic flushers, commercial z turn mower, and a mower for the excavator.

Solid Waste Fund


The Solid Waste budget of \$3,852,510 includes funding for a number of capital items, including preparation for relocation of LCID landfill, used dump truck for LCID, roll-off containers, dumpster and wire welder for shop.

Also included is a proposed rate increase for reoccurring expenses and increased cost related to the transfer station. A rate increase for disposal from \$80 to \$115 and for Collections from \$70 to \$105 will be charged on the tax notices to all taxpayers. A gate rate increase from \$35 to \$100 per 1,000 tons and an increase in

charges for certified scales from \$8 to \$20 per vehicle will be imposed at the scale house.

Fire Districts

Requested Fire District tax rates are reflected below.

Fire Districts 

2024-2025	Rate		Rate
Ammon	.070	Atkinson	.080
Bay Tree	.090	Bladenboro Rural	.075
Carvers Creek	.050	Clarkton	.080
Dublin	.098	Elizabethtown Rural	.100
Hickory Grove	.080	Kelly	.070
Lisbon	.070	Tar Heel	.100
White Lake	.080	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 2024-2025 Proposed Budget is hereby presented to the Board of County Commissioners.

Bladen County is fortunate to currently be in a stable financial condition leading into the upcoming fiscal year. The budget invests heavily in public safety, education, and employee compensation, all of which support the County’s 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 mission 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,

Charles R. Peterson, Interim County Manager