

Columbus County



TO: Ricky Bullard, Chairman
Columbus County Board of Commissioners

FROM: Edwin H. Madden, Jr.
Columbus County Manager

DATE: May 15, 2023

SUBJECT: Columbus County Fiscal Year 2023-2024 Budget Message

In accordance with the North Carolina Budget and Fiscal Control Act, North Carolina General Statute 153A-82, I am pleased to submit the recommended budget for fiscal year 2023-2024. North Carolina law states that a balanced budget must be publicly presented by staff on or before June 1 and a balanced budget adopted by June 30, however, the proposed FY 2024 budget is being presented early this year due to requirements imposed by the Local Government Commission that result from unsatisfactory audits under a previous county administration.

In planning for the upcoming fiscal year, the departmental leadership, finance team, and administration staff assessed the resources needed, based on the future goals set by the Columbus County Commissioners that were established at the annual planning retreat. This information was utilized to develop the recommended budget for FY 2024. The major themes the board established were to *initiate legislative support*, continue support for our *public schools and the community college*, increase necessary support for *emergency services*, move forward with implementation of *recreation master plan*, and to prepare for *potential growth and expansion* in the County. In my opinion, the recommended budget moves these priorities forward.

The budget team involved key departmental leadership and support staff in the preparation process and relied on their expertise in developing the recommended budget for FY 2024. Each department was able to discuss individually how their requests would impact their department's functionality and efficiency. The departmental meetings were informative and beneficial for all involved.

The recommended FY 2024 budget provides funding to maintain Columbus County's high quality services, to meet the needs of the community and to ensure that all County initiatives remain fiscally appropriate with taxpayer dollars. The FY 2024 budget includes *no change* in ad valorem tax rate from the current 80.5 cents.

RECOMMENDED BUDGET

The FY 2024 recommended budget totals \$130,869,354 for all County operations. The following is the breakdown between the General Fund, Water Fund and all other Funds:

	Adopted Budget <u>FY 6/30/2022</u>	Adopted Budget <u>FY 6/30/2023</u>	Proposed Budget <u>FY 6/30/2024</u>
General Fund	\$ 67,744,861	\$ 70,226,747	\$ 74,064,862
Water Fund	3,691,009	4,470,696	4,881,259
Other Funds	<u>21,152,339</u>	<u>25,012,521</u>	<u>51,923,233</u>
Total All Funds	<u>\$ 92,588,209</u>	<u>\$ 99,709,964</u>	<u>\$130,869,354</u>

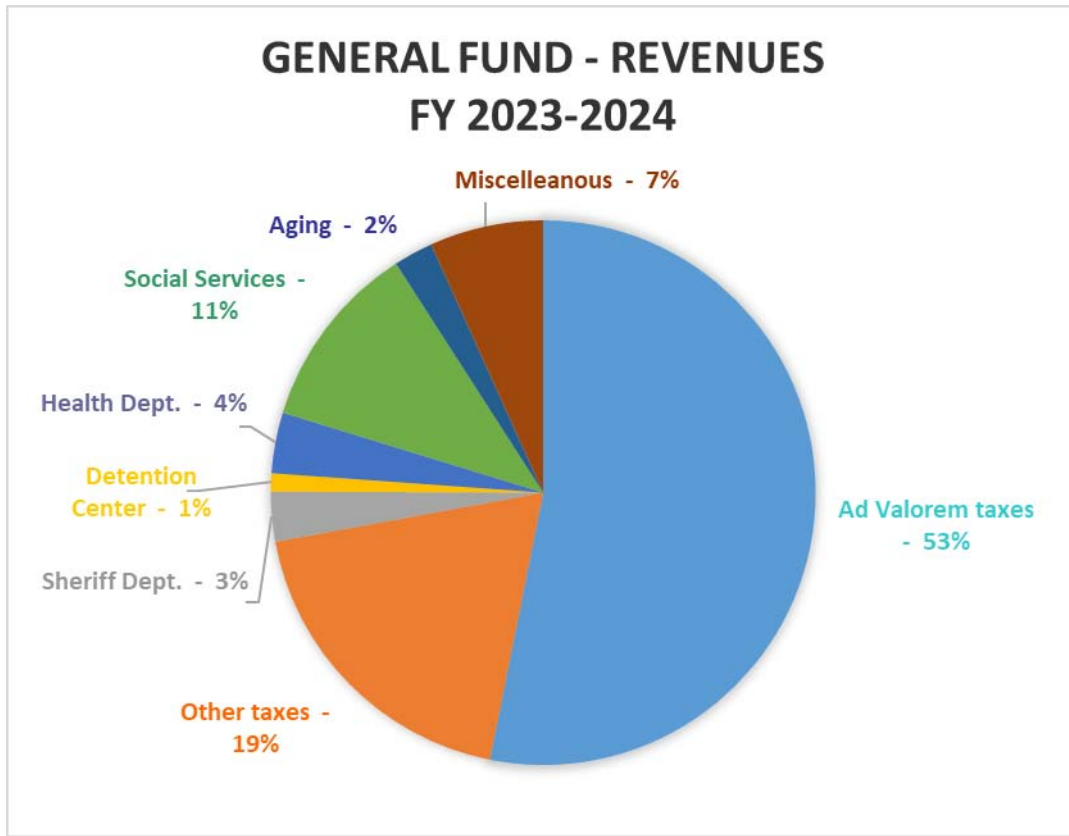
Total proposed budget of \$130.9 million for fiscal year ending 6/30/2024 is an increase of \$31.1 million (31%) over the adopted budget for fiscal year ending 6/30/2023. Primarily, the increase is related to the additional education investment made in new public school facilities and the debt related to that investment.

GENERAL FUND

The General Fund is the main operating fund for the majority of the County operations. We have balanced the budget for FY 2024 without utilizing any funds from the Fund Balance, with exception of utilizing fund balance – revenue replacement funds for one-time or capital outlay expenditures. The FY 2024 budget increased \$3,838,115 (5.5%) over FY 2023 budget. Following is more detailed information related to the revenue and expense budget for this fund.

Revenue

The chart below shows the various categories of revenue in the FY 2024 budget along with what percentage each category equals.



The largest category, *Ad Valorem taxes*, generates 53% of the total revenue budget. We have budgeted \$39.4 million for the Ad Valorem taxes revenue which is an increase of 1.5% over the projected FY 2022-2023 totals. No change has been budgeted for the current tax rate of \$0.805 per \$100 of assessed value with a collection rate of 97.78% for next year.

Other taxes, which comprises 19% of the total budgeted revenue, is the sales tax revenue budgeted at \$14.1 million for FY 2024, an increase of 3% over the projected current year. Expectation for growth in sales tax across the state remains positive, but more rural areas may see less growth than in urban areas now that COVID restrictions have been lifted and more travel is occurring.

Sheriff Office revenue is comprised of various fees and reimbursements. Total revenue for the Sheriff’s department has decreased year over year by approximately \$15,485 taking into account new legislative changes on gun permit fees. The largest revenue line item is \$1,301,273 for resource officers provided to public schools across the County.

Detention Center revenue projected includes \$750,000 for Federal Inmate Holdings which includes the agreement to house prisoners through the federal inmate program. The current agreement provides \$64 per day per inmate plus additional reimbursement for transportation to court appointments. We have budgeted for approximately 30 inmates per day. This contract price will be reviewed in the FY 2024.

Health Department revenues budgeted at \$2,666,300 is a decrease of -43% from the projected FY 2023 total revenue primarily due to a lack of COVID-19 funding not expected in FY 2024. The Health Department contracts with both the State and Federal governments to provide services to the public. The management of the Health Department was conservative in their projections basing them only on the contracts that they have approved from the government at this time. One of the single largest contracts is \$400,000 for school nurses.

Social Services programs for low income persons are funded by various State contracts. The budget for these various programs for FY 2024 is \$8,273,412, a 17% increase from the FY 2023 projected totals. Increased demand for various services provided by the department has increased the need in estimated social service revenues. Pending further decisions made at the State level, the Social Services department may likely see an increased demand for services as it relates to Medicaid Expansion.

Aging department has budgeted \$1,733,735 in estimated revenue for FY 2024. The department’s revenue is derived from Federal Grants and State programs to provide services to the aging community. The revenue budget for FY 2024 is 3.8% lower than the projections for the current year. Their projections are based on information provided by the Federal and State government.

Miscellaneous revenue consists of all of the remaining sources in the General Fund not detailed above. The table below details the larger amounts in the miscellaneous revenue:

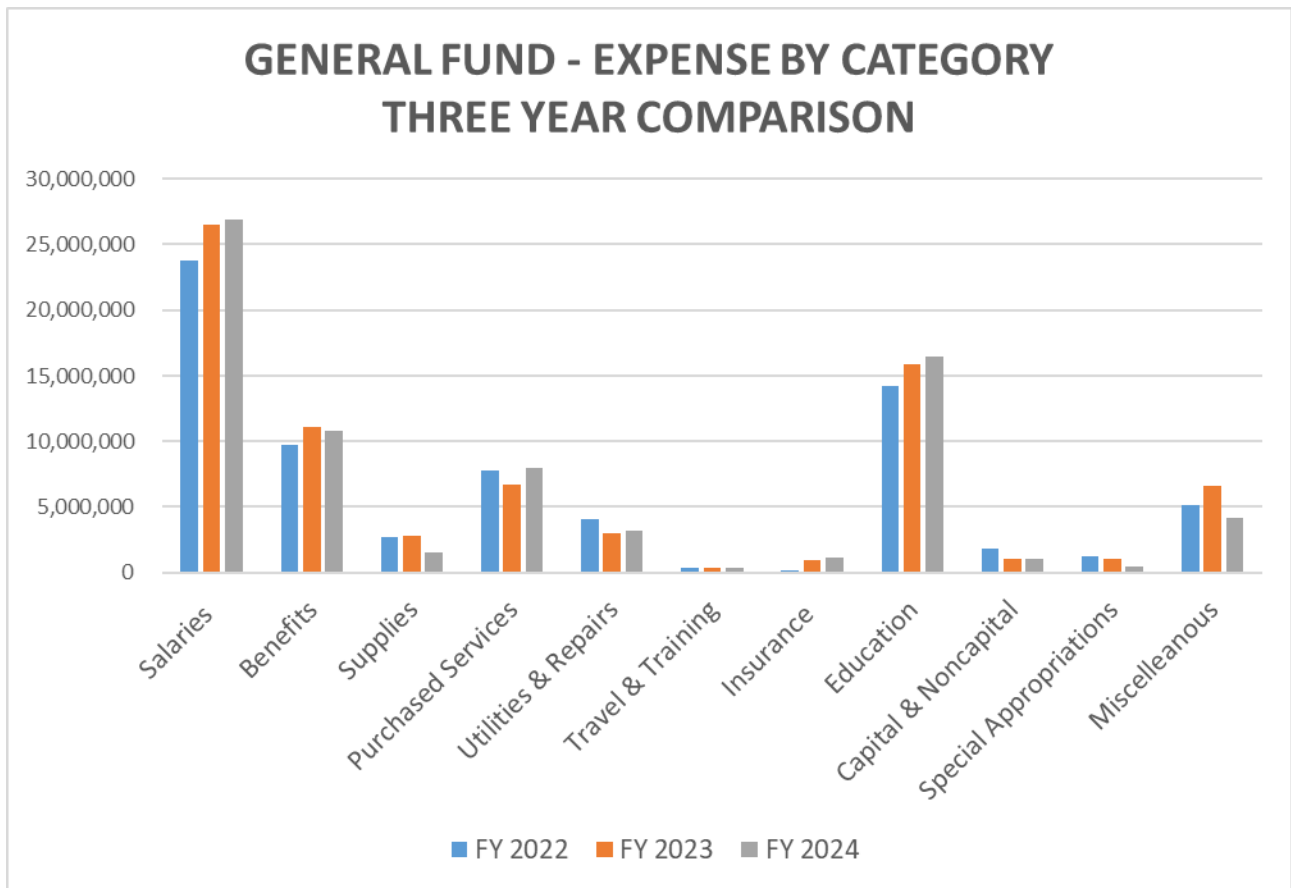
<u>Description</u>	<u>Actual FY 2022</u>	<u>Projected FY 2023</u>	<u>Budget FY 2024</u>
Investment Earnings	\$ 15,180	\$823,198	\$960,000
Airport (fuel sales and rent)	489,951	513,401	523,400
Register of Deeds Fees	832,093	604,382	418,500
Inspection Fees	404,034	419,485	600,000
Economic Development	187,160	11,000	46,000
Education	79,555	160,418	145,000
Library Fees	135,249	136,513	228,848
Rent	121,051	126,656	124,800
Animal Protective Services	155,321	37,000	35,000

The total budgeted miscellaneous revenue for FY 2024 is \$4,997,572 which is a 63% increase over FY 2023 projections.

Expenditures

Total General Fund expenses of \$74,064,862 budgeted for FY 2024 increased over FY 2023 budgeted expenses by \$3,838,115 (5.5%).

The graph below summarizes the expenses by Categories for the County. Each category is compared for the last three years, actual 2022, projected 2023 and budgeted 2024. The largest category of expenses is Salaries, then followed by Education. The salaries have increased significantly, along with the associated benefits over the past three years, now proposed to be approximately \$27 million in expenditures for FY 2024. See the details below for descriptions of each category of expense.



Salaries – In the previous two fiscal years there have been strides made towards improving salaries for all employees. As we continue to address recruitment and retention, we have researched and reviewed any potential pay changes and the impacts they would have on the Board’s priorities of retaining good talent. In April 2023, the North Carolina Association of County Commissioners (NCACC) partnered with the North Carolina League of Municipalities to survey local government about their planned salary changes for FY 2023-2024. The survey includes 266 local governments responses, including 45 counties in addition to Columbus County. Per the survey, 86% of those responders plan to have a COLA in the upcoming budget year. The average COLA increase in our region is 4.4%.

In order to keep pace and reduce the potential of losing qualified employees, we are proposing a 3% COLA for all employees for FY 2024 beginning with the July 21, 2023 pay period. Each 1% of COLA increase equals approximately \$327,000 including benefits. The County continues to face the challenge of filling vacancies, but the vacancies have reduced significantly over the previous fiscal year.

Benefits – The total benefits budgeted of \$10.8 million equal 40.2% of total salaries budgeted for FY 2024. The budget for FY 2024 includes a 6% increase in healthcare benefit costs for the last six months of the fiscal year. The retirement contribution is 12.93%, an increase of .29% from 12.64% in FY 2023, as a percentage of payroll for all employees except law enforcement. The retirement contribution for law enforcement is 14.04%, which is an increase of .69% from 13.39% in FY 2023. The life and disability insurance expense increases as this is based on total payroll. The higher the total payroll the higher the total expense for this insurance. There were no other changes in benefits.

Supplies and other – Total supplies and other expenses budgeted for FY 2024 of \$1,553,314 decreased \$1,218,335 (-44%) from FY 2023 budget totals due to the lack of COVID-19 funding for supplies for FY 2024.

Purchased Services – Total purchased services budgeted in FY 2024 of \$7,994,122 increased \$1,337,035 (20.1%) over the FY 2023 budget. Purchased services includes professional services and contracted services necessary across County government. Some of the budgeted expenses relate to various maintenance agreements, software licenses, and professional contracts to provide services to all departments. A portion of this increase is related to the increased pricing for services due to inflation.

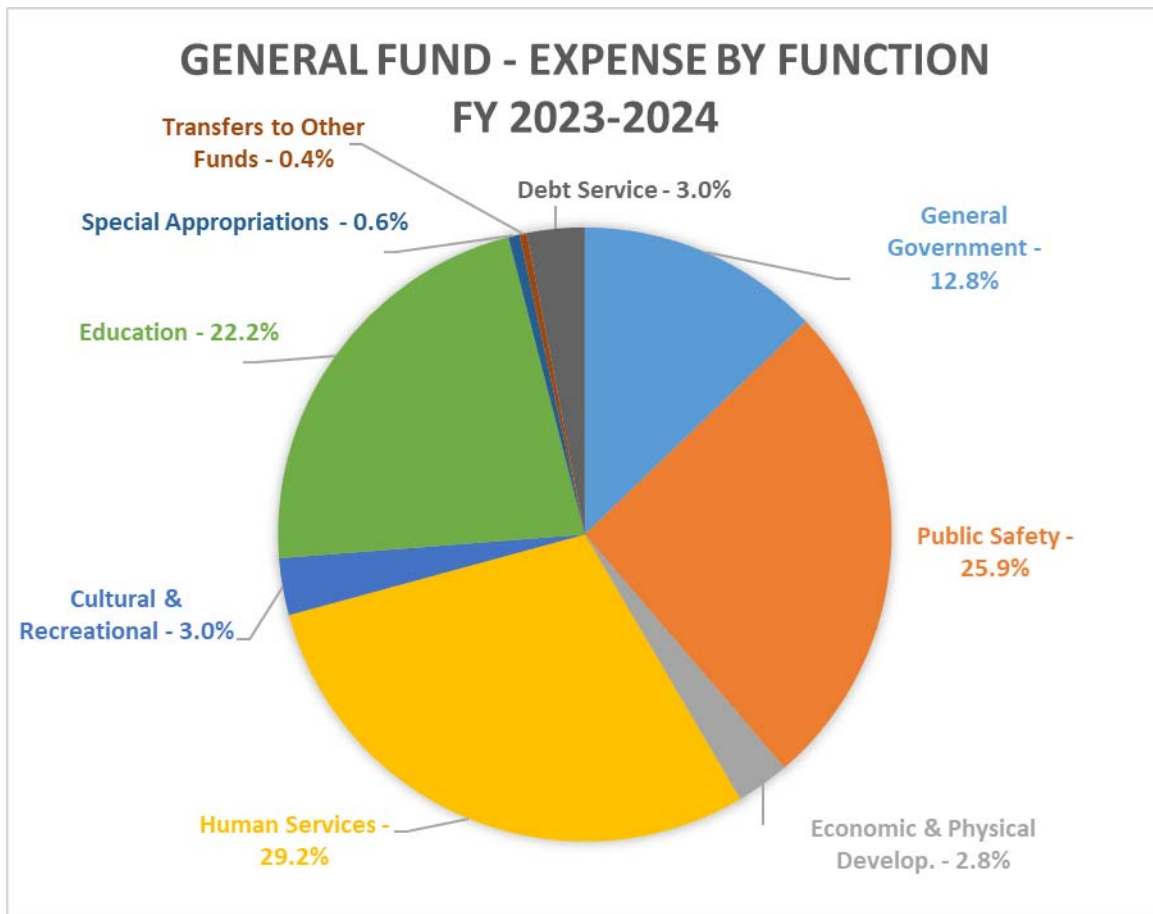
Utilities & Repairs – Total utilities and repair expenses increased \$196,812 (6.5%) from the FY 2023 budget. The additional cost of utilities and maintenance is primarily due to inflation.

Education – Total education expense of \$16,459,156 increased \$577,294 (3.6%) over FY 2023. The education budget represents current operating expenses and capital improvement requests that will be funded to Columbus County schools, Whiteville City schools and Southeastern Community College. The total includes debt service payments for Whiteville schools and Columbus County schools related to debt incurred for their capital projects. The debt payments will be paid using Article 44 sales tax.

Capital – The capital and non-capital expenses budgeted at \$1,048,685 for FY 2024 was a decrease of \$30,417 (-2.8%) from the FY 2023 budget. Included in capital and non-capital expenses are several one-time expenditures that will be covered using a portion of the American Rescue Plan Revenue Replacement dollars that are coming from *fund balance appropriated – revenue replacement*. The projects include facilities capital outlay projects for various departments for HVAC unit replacements, ADA compliance renovations for doorways, roof repair for the Health Department building, Elections renovations for safety purposes, and other smaller projects.

Miscellaneous – This expense includes dues and subscriptions, special projects or grant reimbursements, and several fees passed through to the State and other expenses that did not fit the description of any other categories. Also included in miscellaneous is the indirect cost allowances for the departments across the County that offset the expenditures in certain departments. Budgeted \$4,126,185 for FY 2024 was a decrease of \$2,525,672 (-38%) compared to FY 2023 budget.

The pie chart below provides the FY 2024 percentage of expense by functions. Following will be a detailed explanation of what departments are included in each function and their expenses budgeted for the next fiscal year.



<u>Function</u>	<u>Budget</u> <u>FY 2022</u>	<u>Budget</u> <u>FY 2023</u>	<u>Budget</u> <u>FY 2024</u>
General Government	\$ 7,917,813	\$ 8,473,284	\$ 9,498,768
Public Safety	16,785,938	17,487,377	19,185,274
Economic & Physical Development	2,887,952	2,672,049	2,082,386
Human Services	19,904,198	20,064,845	21,645,550
Cultural & Recreational	2,227,113	2,325,302	2,220,937
Education	14,141,689	15,825,188	16,459,156
Special Appropriations	1,196,618	1,024,128	436,847
Transfer to Other Funds	408,079	94,036	289,338
Debt Service	2,275,461	2,260,538	2,246,606
TOTAL	<u>\$67,744,861</u>	<u>\$70,226,747</u>	<u>\$74,064,862</u>

General Government

Governing Body – for FY 2024, expenses decreased \$7,260 (-2.4%) from FY 2023 projected totals. This amount has been reduced according to historical trends on office supplies, advertising and contracted services.

Administration – expenses increased overall for FY 2024 by \$16,731 (1.6%). There was an increase of approximately \$39,145 for annual insurance premiums and a reduction of approximately \$20,000 for indirect cost allowance.

Personnel – expenses increased by approximately \$79,538 (14.2%) over the FY 2023 projected expenses, primarily due to a large increase in workers' compensation insurance premiums subsequent to additional COLA percentages and increases in payroll costs in previous years' departmental budgets. We continue to promote recruitment and an efficient onboarding process, as well as updated policies and procedures within this budget as well.

Finance – budgeted expense for FY 2024 increased \$202,580 (29.3%) over projected FY 2023 expenditures. The increase is a result of increased audit professional services, implementation of new financial software in the FY 2024 (thus overlapping system costs), and sunk costs such as printing and copier equipment for the County. New State legislation has also required higher bond amounts for Finance Officers in NC local government, increasing the premium required for such a bond.

Tax Administration – budgeted expense for FY 2024 increased \$270,115 (16.4%) with the transfer of one-half of five customer service positions to the tax office budget for the Tax and Utilities Collections Center staff. Although the FY 2023 budget included \$147,500 in capital outlay to purchase new tax software, the final payment has not been made and should be budgeted in the next fiscal year.

Legal – budgeted expense for FY 2024 decreased by \$71,668 (-28.1%) mainly due to an increase in indirect cost allowance related to this department.

Teen Court – is a state program and the budget is developed by the state.

Elections – budgeted expense for FY 2024 increased by \$53,515 (11.3%) from FY 2023 projections. The budgeted expense includes several one-time capital outlay and departmental supply expenditures to prepare for efficiencies in the next election cycle.

Register of Deeds – budgeted expense is driven greatly by state expectations of excise tax, license and other fees for register of deeds office. No new positions or significant additional expenses from the current fiscal year projected for this department.

Management Information Systems - similar expenses budgeted for FY 2024 as budgeted for FY 2023.

Central Garage – similar expenses budget for FY 2024 as budgeted for FY 2023. No new vehicle leases related to central garage are built into this budget.

Facility Services – this category consists of the following buildings: Court facilities, Administrative building, Department of Social Services building, Senior Centers, Miller (Health department) building, Soil and Conservation building, Pinckney Street Collections Center, 701N (former BB&T call center) Complex and Downtown Complex offices and four school buildings. Total budget for FY 2024 is \$2,721,660, an increase of \$443,684 over projected FY 2023 expenditures.

Public Safety

Sheriff – the Sheriff's Office budget for FY 2024 is \$1,064,699 or 11.5% higher than FY 2023 projections. This increase is primarily due to restructuring occurring in the office related to personnel dedicated as court deputies. This position was formerly paid out of the detention budget. See the detention center budget detail below for more information. The largest expense in the sheriff's office budget is for salaries and benefits. Included in the FY 2024 budget are regularly expected departmental supplies and necessary equipment to protect and serve the community. The use of the Enterprise lease program has allowed the Sheriff's department to replace vehicles more rapidly than an outright purchase. Projected savings from the Enterprise program remains yet to be seen in the current year, but will be evaluated in the next few years by reviewing maintenance costs and higher resale value of used vehicles, while earning equity in the leased vehicles. Special Services expense has remained the same at \$100,000 in FY 2024. This is the money that is used to purchase illegal drugs in undercover operations.

Sheriff's Department Grants – budgeted expenses related to Governor's Highway Safety Grant through the first of FY 2024 includes \$15,666 of expenditures.

Detention Center – FY 2024 budgeted expenses of \$4,115,838 has decreased \$990,789 (-19.4%) over FY 2023 projected expenditures. Due to the restructuring of the sheriff's office, the detention center budget has decreased related to shifting employees from one cost center (department) to the other. All remain in the public safety function. The medical expense for inmates, food and departmental supplies increased approximately 30% due to inflation resulting in an increase from the outside contracted services and supplies for these services.

Animal Control – the FY 2024 budget of \$708,548 has decreased approximately \$173,293 over FY 2023 projected expenditures. In prior years, there were one-time capital outlay and non-capital outlay requests of about \$150,000 that were not funded in the current year.

Emergency Services – FY 2024 budget of \$3,519,837 is an increase of \$1,228,606 (60%) over FY 2023 projection. The largest component to the emergency services budget is \$1.5 million in contracted services that includes supporting payments for rescue units and fire districts, the water and rope rescue program, continued funding for the QRV program and other software and tools needed as identified in the EMS Strategic Plan. The support for fire districts and rescue units will include supplemental funding for audit incentive payments and all fire districts will receive a minimum funding level of \$50,000 to compensate for underfunding through tax revenue. In prior years, a portion of this funding was accounted for in the Special Appropriations section of the budget.

Building Inspections – To prepare for the planned residential development in the County, the inspections department estimated budget has increased approximately \$90,847 (23.9%) over FY 2023 projected expenditures, with the majority of the increase in salaries and benefits to add coverage for building inspection demand. Along with increased need for coverage in the County, the current building inspections staff is also adding coverage for certain municipalities in the County.

EMS Medical Director – FY 2024 budget has stayed the same as prior year.

Economic and Physical Development

Airport – Total budgeted expenses for FY 2024 is \$685,979 compared to FY 2023 projections of \$568,150. The largest expense item in the airport budget is aviation fuel purchased for resale. \$480,000 was budgeted for aviation fuel in FY 2024 compared to \$374,860 projected expense for FY 2023. All other expense items in the budget for FY 2024 are comparable in amounts to the FY 2023 budget.

Economic Development/Planning - FY 2024 budget decreased \$703,290 (-61.1%) from FY 2023 projections. One decrease is related to \$100,000 less in the Building Reuse Grant expense that is not yet available for FY2024. When a need arises for business usage, this budget may be adjusted. Other changes include the removal of Economic Development Incentive Grants, and these would only be budgeted on a case by case basis. There is no estimate of need at this time.

Cooperative Extension – FY 2024 budget of \$613,749 is \$33,170 (5.7%) increase over the FY 2023 projections. The largest line item is contracts which is budgeted for \$540,516. The contracts are the amount the County reimburses North Carolina State University for the staff who provide the services in the County. This contract amount increased 3.3% over FY 2023 projections.

Soil Conservation – FY 2024 budget of \$335,813 increased \$61,456 (22.4%) over projected FY 2023 totals. The increase is a result of converting a part-time position to full-time for FY 2024 along with the benefit expense. All other line item expenses are budgeted similar to the previous year.

Human Services

Health Department – Provides various services under many programs which are funded by Federal, State and local monies. Below is the list of the different programs with a description of the services provided to Columbus County residents. The budgeted amounts for the various programs is based on expected reimbursements from Federal and State programs along with County appropriations. Several of the following programs have budgeted a decrease in expenses for FY 2024 compared to FY 2023 budget. The impact on most programs in the Health department relate to cost report settlements from the Federal and State agencies related to prior year's operations. At this time, the budget as presented is the best estimate from these agencies.

Health Promotion is budgeted for \$306,183 for FY 2024 which is an increase of \$3,848 from the FY 2023 budget. A Health Educator is employed to work with the citizens to promote health improvement. Adult immunizations (including annual flu) are provided from this program. Funding for these services is received from Medicaid, Medicare, personal insurance and local match.

Cooperative Health provides the School Nurse program for which we will receive \$400,000 from the State. The administrative services to operate the Health Department are covered in this cost center. County money is utilized to cover the balance of the expenses. The total budget for this cost center for FY 2024 is \$1,652,671 which is an increase of \$291,124 (15%) over the FY 2023 budget.

Infant Mortality Reduction Grant is 100% funded by a State grant. The services provided by a family nurse to high risk pregnancies and education to prevent infant mortality. There is no budget currently for FY 2024.

Bioterrorism Health is a State mandated program funded by 90% State appropriations and 10% local match. The FY 2024 budget is \$38,578, an 11.3% decrease over FY 2023 budget. This program covers supplies and education for any potential hazard event.

Communicable Disease Aids-TB is a State mandated program with some local funding. The FY 2024 budget of \$376,044 is \$125,065 decrease from the FY 2023 budget.

COLPO Clinic is a program for women's health. Colposcopies are performed in the office for women who have no health insurance. The equipment has been purchased by grant money and the program services are funded by Medicaid and local match. The FY 2024 budget of \$32,638, an increase of \$1,199 (3.8%) over the FY 2023 budget.

Family Planning is a State mandated program that is funded by Medicaid, personal insurance and County funds. This program provides birth control supplies and information to low income women of child bearing age. This program is one of the larger programs provided by the Health Department with a FY 2024 budget of \$526,443. This is an increase of \$17,570 (3.5%) from the FY 2023 budget.

Immunization is a State mandated program providing children with immunizations for flu and other vaccinations. The program is funded by Medicaid. The FY 2024 budget of \$43,857 is a decrease of \$2,996 (-6.4%) from the FY 2023 budget.

Child Services Coordination is a program reimbursed by Medicaid to provide health services to small and infant children. The FY 2024 budget of \$177,974 is an increase of \$12,378 (7.5%) over FY 2023 budget.

Child Healthcare is a State mandated program to provide well care visits to children from low income families. Reimbursement for this program is received from Medicaid, private insurance and county funds. The FY 2024 budget of \$251,275 is \$18,163 (-6.7%) lower than the FY 2023 budget.

Maternal Health is a State mandated program that provides healthcare for pregnant women who have no payer source or low income. Reimbursement is received from Medicaid, State programs and County appropriations. The FY 2024 budget of \$422,333 is an increase of \$31,627 (8.1%) from the FY 2023 budget.

WIC program provides vouchers for food for low income women and infant children. This program is 100% funded by Federal funds. The FY 2024 budget of \$356,589 is an increase of \$17,048 (5.0%) from the FY 2023 budget.

Dental program goes to local schools and provides services to children who have no dental coverage.

It is funded by Medicaid and County appropriations. The FY 2024 budget of \$552,629 is an increase of \$118,808 (27.4%) from the FY 2023 budget.

Maternal Case Work is fully funded by Medicaid to provide services to child bearing women in Columbus County. The FY 2024 budget of \$243,430 is an increase of \$16,826 (7.4%) from the FY 2023 budget.

Environmental Health is a State mandated program that places septic and wells on site according to the laws of NC for residential and commercial customers in the County. The staff also inspects local restaurants, nursing homes, hotels, bed and breakfasts according to the State law. It utilizes permit and inspection fees to cover the cost of service along with additional funds from the County. The FY 2024 budget of \$580,762 is an increase of \$148,448 (34.3%) over the FY 2023 budget.

Comp Breast Screening is 100% funded by the State to perform breast screenings for low income individuals. The FY 2024 budget of \$15,444 is similar to the FY 2023 budget of \$15,559.

Communicable Disease STD Drug is a State funded program to purchase drugs. The FY 2023 budget of \$3,000 is the same amount as last fiscal year's budget.

Other Health Services provides all other women's health services including pregnancy testing that does not fall in any of the above programs. Reimbursement is from the Medicaid program and County appropriations. The FY 2024 budget of \$44,153 compares to the FY 2023 budget of \$47,225.

Teen Pregnancy Prevention is a grant-funded program that teaches teens the required NC comprehensive sex education course. The program is funded by the grant and a county in-kind match. The FY 2024 budget of \$101,564 is similar to the FY 2023 budget.

The Health Department total budgeted expenses for FY 2024 are \$5,725,567 which is a decrease of \$2,778,730 from the FY 2023 budget. This 32.7% decrease is primarily related to lack of COVID-19 funding as in prior years totaling approximately \$3 million dollars.

Social Services – provides the following services to the citizens of Columbus County:

- Food Stamp benefits that are federally reimbursed.
- Work First Block Grant program assists individuals in locating and obtaining employment, transportation to the work site, assists clients that are considered within poverty level with eligible expenses to keep them employed and their families in place. This program is federally funded.
- Child Support Program
- Energy assistance to low income individuals funded by State and Federal monies.
- A portion of reimbursement from federal sources for day care workers.
- Managing Foster care of placing the children and reimbursing for their living expenses
- Transportation for Medicaid recipients to medical appointments and possible lodging if necessary.

Many of the programs receive both federal and state funds for providing the services. The FY 2024 total budget for Social Services is \$12,884,996. This represents an increase of \$1,374,140 (11.9%) over FY 2023 budget.

Veteran Services assists Columbus County veterans in filing their claims to the Veterans Administration for compensation, healthcare benefits, education and any other benefits available to veterans. The FY 2024 budget of \$172,695 was an increase of \$6,552 (3.9%) over FY 2023 budget. Per the geographic distribution provided by the Veterans Association, approximately 3,343 veterans in Columbus County received compensation and other benefits from the VA in 2022 fiscal year totaling \$55,960,000, an average of \$16,141 per veteran.

Aging- provides various services to the elderly residents of Columbus County. The following list of services are funded by State grants and local appropriations in resident's homes and at various public sites.

Information/Case Assistance is funded with monies from the State Home Community Care Block Grant and a 10% County match. Staff provide information and assistance to elderly for home ramps, rails and other features to assist mobility at the home. Ensure, a liquid nutrition, is sold to the elderly at cost along with medication assistance provided by the staff to the residents. The FY 2024 budget for this service is \$225,503 an increase of \$13,563 (6.4%) from FY 2023 budget.

Personal Care Services is funded by State grants and the Medicaid program. In home services is provided by CNA's to low income senior citizens. The FY 2024 budget for this service is \$229,328, a decrease of \$41,610 (-15.4%) from the FY 2023 budget.

Community Alternative Program provides staff to manage the care of a senior family member by other family members or neighbors. State grant and primarily Medicaid provide funding for this service. The FY 2024 budget of \$648,018 is a decrease of \$96,922 (-13%) from the FY 2023 budget.

Chore Title III B Title XX is largely Medicare funded program. This service is provided by CNA's at different hours and different levels of care in the homes of the elderly. The FY 2024 budget of \$494,576 is an increase of \$107,933 (27.9%) over FY 2023 budget.

Congregate Nutrition is the expense funded by State monies to provide food to the senior citizens at the area senior centers. The FY 2024 budget of \$310,227 is an increase of \$5,724 (1.9%) over FY 2023 budget.

Home Delivered Meals is a program funded by State grants. The FY 2024 budget of \$176,892 is a decrease of \$1,810 (-1.0%) from the FY 2023 budget.

Minor Home Repairs is a program that concentrates on the building and repairs of ramps and rails throughout the County. \$5,000 is allotted from a Home & Community Block Grant and the remaining appropriation comes from the County. The need continues to grow as demand for this program is increasing along with the cost of the supplies to make the repairs. The FY 2024 budget of \$95,000 is the same budget as in FY 2023.

The total FY 2024 Aging budget for all the services listed above is \$2,832,292, a slight decrease of \$33,801 (-1.1%) from the FY 2023 budget. The total budget is based on the grants and reimbursements projected to be received from the State and Federal government in the coming year.

The Aging department also oversees seven senior centers in Columbus County. These senior centers provide meals, exercise classes and activities to the senior citizens of that community. Listed below are the seven centers with the FY 2024 budget compared to FY 2023 budget:

LOCATION	FY 2023 BUDGET	FY 2024 BUDGET
Bolton Senior Center	\$88,296	\$97,952
Bug Hill Senior Center	85,211	83,719
Chadbourn Senior Center	79,343	55,517
Tabor City Senior Center	89,652	93,004
Whiteville Senior Center	174,758	166,762
Fair Bluff Senior Center	74,108	74,172
East Columbus Senior Center	82,059	81,622
TOTAL	\$673,427	\$652,748

Total FY 2024 budget for all senior centers of \$652,748 decreased (-3%) over FY 2023 budget. The senior centers are funded with Federal grants and County appropriations.

Medical Examiner FY 2024 budget is \$30,000 compared to the FY 2023 budget of \$38,080.

Cultural and Recreational

Library FY 2024 budget of \$1,692,736 is \$151,587 (9.8%) over the FY 2023 projected expenses of \$1,541,152. This budget covers the operations of the main library plus 5 branches. The largest single non-salary related line item in the budget is \$82,000 for books.

Parks and Recreation staff maintain 18 properties that include 13 public parks, Columbus County Airport, Farmer’s Market and three additional County properties. Revenue is generated from registration fees for basketball and soccer programs and rental of various facilities to the public. The FY 2024 budget of \$528,201 decreased \$52,367 (-9.0%) over FY 2023 projections. In FY 2024, the parks and recreation will begin to accept registrations online through a new software portal for convenience purposes.

Education

A portion of the sales tax received is restricted for school and economic development expenditures. The following is the breakdown of our sales and use tax we budgeted to receive in FY 2024 compared to FY 2023 projected:

<u>Sales & Use Tax Revenue</u>	<u>Projected FY 2023</u>	<u>Budgeted FY 2024</u>
1 cent sales tax article 39	\$4,470,665	\$4,604,785
½ cent sales tax article 40	2,923,805	3,011,519
½ cent sales tax article 42	887,900	914,537
½ cent sales tax article 44	2,858,221	2,858,221
½ cent sales tax – county school art. 40	891,032	922,278
½ cent sales tax – city school art. 40	362,028	368,373
Second ½ cent sales tax – city art. 42	384,791	391,536
½ cent sales tax county school art. 42	947,059	980,269
Total Sales & Use Tax Revenue	<u>\$13,725,499</u>	<u>\$14,051,517</u>

The state calculates the allocation of the sales tax for the different articles listed above. We based our budget for FY 2024 on the recent trends for the past year. Articles 39, 40 and 42 have been estimated with a 3% overall increase. Article 44 is expected to remain flat.

Article 39 is 100% for the County to use towards general operations without any restrictions. Article 40 restricts 30% to be used for County and City of Whiteville schools with the remaining 70% for general county operations. Article 42 restricts 60% to be used for County and City of Whiteville schools with the remaining 40% for general county operations. Article 44 restricts that 100% be used for County and Whiteville City schools, Southeastern Community College and Economic Development.

Every year the public school districts and college request amounts for operations and capital during the budget process. The operating and capital adopted budgets for both public school districts and the college have increased significantly over the past few years. The educational investment for schools has increased each year for FY 2022 was 4.4%, FY 2023 was 35.1%, and the proposed budget increase for FY 2024 is 3.6% in total investment. Increased support for new school buildings have impacted this progression. For equity purposes, we budget the same amount of operating expense and capital outlay per ADM per public school. The FY 2024 budget has \$1,931.36 per ADM per public school in funding.

The schools and college have provided a list of capital projects for which they are seeking reimbursement from the County to fund. Both the city and county schools have debt which is paid by the County on behalf of the public schools using allowable sales tax dollars. Due to the nature of the loan, the County is responsible for the payment, since the loan and property is in the County's name. For FY 2024, we are utilizing article 44 sales tax revenue to cover the debt payments of \$954,601 for County schools and \$582,023 for Whiteville City schools. The FY 2024 budget to the schools and college for capital expenditures totals \$3,847,880 compared to FY 2023 projected \$3,470,921.

The total revenue received from fines and forfeitures \$150,000 and ABC profit distribution \$145,000 for FY 2024 budget will be distributed between city and county schools based on the number of students.

Special Appropriations

Total special appropriations budgeted for FY 2024 is \$436,847, a decrease of \$580,522 (-57.1%) from the FY 2023 budget. There are several items identified in prior years’ as special appropriations that have been reclassified in the proposed FY 2024 budget to associate them with a department, when applicable. Following is the list of the Special Appropriations budgeted for FY 2024 compared to the FY 2023 budget:

	Adopted Budget <u>FY 2023</u>	Proposed Budget <u>FY 2024</u>
Rent/Lease Agreements	\$ 80,000	\$ 0
Daytime Rescue Squads	225,000	0*
Fire/Rescue Appropriations	258,917	0*
R.S.V.P.	20,000	20,000
Arts	3,000	3,000
Sickle Cell	1,000	1,000
Cape Fear-Res Con Dev	9,000	9,000
Mental Health	60,000	60,000
Council of Government	24,367	23,829
Southeastern Economic Development	5,229	4,556
CCAWE	1,500	1,500
Forest Service	248,542	270,000
Literacy Council – Spelling Bee	2,000	2,000
Families First	8,000	8,000
Misc. Appropriations	1,000	0
Special Child Adoptions	68,928	0**
Cape Fear River Assemb	462	462
Rope Rescue Team	51,107	0*
Water Rescue	41,674	0*
ABC Bottle Tax Dist. For Mental Health	15,000	21,000
Columbus County Dream Center	7,500	7,500
Columbus County Chamber of Commerce	5,000	5,000
Town of Chadbourn	<u>60,000</u>	<u>0</u>
TOTAL	<u>\$1,196,618</u>	<u>\$1,024,128</u>

*Denoted as moved to other departmental budget for Emergency Services.

**Budget will be established once remaining balance rolls to fund balance.

Debt Service

The FY 2024 budget for debt service totals \$32,636,805, an increase of \$16,709,843 from FY 2023 projections, primarily due to new school debt financing. Transfer from the General Fund for FY 2024 totals \$2,237,603. Budgeted for FY 2024 was expense for school debt of \$954,601 for County schools and \$582,023 for Whiteville schools that will be paid using Article 44 funds. \$859,938 is included in FY 2024 for debt payments from the Water System. During FY 2024, the main factor in the increase overall in debt service is related to the Tabor City School interim financing closing with Chase Bank and converting to a USDA loan, thus \$28 million was budgeted for the loan proceeds and an offset expenditure.

WATER FUND

The Water Fund is comprised of 5 water districts. Total revenue budgeted for FY 2024 for all 5 districts is \$4,881,259 an increase of \$249,138 (5.6%) from FY 2023 projections. Budgeted revenue is based on the average received for the past fiscal year plus a 2.67% rate increase. The consolidated water rate system will increase 2.67% effective July 1, 2023 which will result in a monthly average residential customer's bill base rate at \$28.00.

Total combined expenses budgeted for the 5 water districts for FY 2024 is \$4,881,259, an increase of \$402,563 from FY 2023 projections. No change in staffing and all other operating expenses are budgeted based on FY 2023 projections. Four of the water districts have expense to "transfer to General Fund" as partial repayment of the advance received to install the AMR system.

OTHER FUNDS

Other Funds include those listed in the table below:

<u>Description</u>	<u>Adopted Budget FY 2022</u>	<u>Adopted Budget FY 2023</u>	<u>Proposed Budget FY 2024</u>
Solid Waste	\$5,567,405	\$6,016,446	\$6,750,052
Tabor City Incubator	34,000	30,000	41,000
Public Transportation	900,560	1,165,574	1,260,186
NC 911	318,748	694,600	392,000
HUD	1,723,350	1,850,882	1,953,324
Rescue Units	751,618	849,681	728,090
Fire Departments	1,799,633	2,034,697	1,781,537
Sheriff's Special Alcoh/drug	70,000	0	0
Fines & Forfeitures	141,000	141,000	150,000
Municipal Tax Revenues	5,523,438	6,243,277	5,103,889
Revaluation Services	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>
TOTAL	<u>\$16,899,752</u>	<u>\$19,532,157</u>	<u>\$18,180,078</u>

Solid Waste – the FY 2024 budgeted revenue for solid waste of \$6,750,052 is an increase of \$1,236,607 over FY 2023 projected revenue.

The FY 2024 budgeted expenses increased \$810,187 (13.5%) over FY 2023 projections mainly due to an increased need in capital outlay expenditures including two new recycling centers and new equipment required to operate.

Tabor City Incubator - FY 2023 budget has increased \$11,000 from FY 2023 budget due to increase in maintenance and repairs to the building and grounds related to new potential new tenants.

Public Transportation – the FY 2024 budget of \$1,260,186 is an increase of \$313,765 (33.2%) over FY 2023 projections. The increase in the budget is due to additional funds provided by NC DOT to purchase several buses, not yet purchased in FY 2023. The FY 2024 budget includes \$111,061 contribution from County funds. The remainder of the budget is financed by NC DOT.

NC 911 – is funded 100% by the state. The FY 2024 budget includes contracted services related to CAD and VIPER radio systems, along with education and training classes related to emergency services.

HUD – is funded 100% by federal funds. The FY 2024 budget of \$1.95 million increased 18% over FY 2023 projections. The increased demand for HUD services and programs have increased personnel to accommodate the program offerings, including landlord incentive programs and regular HUD voucher program.

Rescue Units – are funded by a special district tax for the City of Whiteville and a 2 cent County Rescue Tax. The FY 2024 budget includes \$197,869 for the special district tax and \$532,971 for the 2 cent tax. These two taxes total \$730,840 which is an increase of \$41,884 (6.1%) from the FY 2023 projections. The total FY 2024 budget is redistributed to rescue units with \$197,122 for the district and the balance divided equally, \$66,371 to each of the following rescue units – Cerro Gordo, Acme Delco Riegelwood, Buckhead, Chadbourn, Fair Bluff, Lake Waccamaw, Nakina and Tabor City. This budget is based on most recent valuations multiplied by the tax collection rate, to remain consistent with the budgeted tax revenue in the General Fund. This tax revenue is simply a pass through and will be increased if necessary to account for any additional tax revenue received and passed to the appropriate districts.

Fire Departments – the special fire tax that is collected is repaid to each of the fire districts. Based on the collections for the current fiscal year, the FY 2024 budget of \$1,781,537. The Emergency Services budget includes supplemental funding to ensure all fire districts will receive a minimum funding level of \$50,000 to compensate for potential underfunding through tax revenue. This budget is based on most recent valuations multiplied by the tax collection rate, to remain consistent with the budgeted tax revenue in the General Fund. This tax revenue is simply a pass through and will be increased if necessary to account for any additional tax revenue received and passed to the appropriate districts.

Below is the FY 2024 budgeted amount for each fire department compared to the FY 2023 projected:

	Projected Actual <u>FY 2023</u>	Proposed Budget <u>FY 2024</u>
Evergreen	\$ 77,323	\$ 76,441
St. James	25,843	20,671
North Whiteville	196,997	163,388
Nakina	104,152	104,152
Old Dock	66,186	57,491
Hallsboro	73,291	61,768
Roseland	98,283	82,892
Yam City	160,554	133,796
Acme Delco	439,063	367,700
Klondyke	141,031	137,222
Coles Service	118,974	102,853
Cerro Gordo	101,091	82,219
Williams Township	125,699	108,102
White Marsh-Welch Creek	56,660	47,361
Brunswick	178,994	154,001
Bolton	49,965	42,517
Buckhead	25,764	20,355
East Columbus	<u>15,493</u>	<u>18,608</u>
TOTAL	<u>\$2,070,190</u>	<u>\$1,781,537</u>

Fines & Forfeitures – money collected through the court system for fines and forfeitures is submitted to the County from the Clerk of Courts. This money is then distributed to the school systems based on the ADM number. For FY 2024, we have budgeted \$150,000 total fines and forfeitures.

Municipal Tax Revenues – the County collects the vehicle and real estate taxes for several municipalities in the County. The County forwards all collections to the municipalities. The budgeted Municipal Tax expenditures for FY 2024 is \$5,103,889. This budget is based on most recent valuations multiplied by the tax collection rate, to remain consistent with the budgeted tax revenue in the General Fund. This tax revenue is simply a pass through and will be increased if necessary to account for any additional tax revenue received and passed to the appropriate districts.

Revaluation – FY 2024 budget allocates \$20,000 towards the total cost of revaluation in future years.

The following funds are **Custodial funds** that we maintain for our clients that are included in the total other funds with the following balances budgeted for FY 2024:

Inmate Trust Fund	\$475,000
Social Services Trust Fund	\$500,000
Sheriff's Civil Trust Fund	\$ 25,000
4-H Trust Fund	\$ 1,350
Sheriff's Cadet Program Trust Fd.	\$ 5,000

In Closing

Thank you for the opportunity to present the FY 2024 budget that is recommended for your consideration. This budget has been particularly challenging due to higher than normal inflation and only modest gains in revenue. And yet, we have been able to maintain a balanced budget with no tax increase to our citizens while accomplishing the Board of Commissioners goals and priorities.

I want to acknowledge the hard work of the Finance office under the leadership of Lacie Jacobs, Heather Woody and Regina Valenta in partnership with Department Directors and staff in the development of this budget document.

I am grateful to each of you for your leadership and support, and I welcome your comments and suggestions as you review the attached information in the days ahead.

Respectfully submitted,

Edwin H. Madden, Jr., ICMA-CM
County Manager