



PENDER COUNTY BUDGET MESSAGE

Fiscal Year 2020-2021

To: Pender County Board of Commissioners

Date: June 1, 2020

FISCAL YEAR 2020-2021 BUDGET HIGHLIGHTS

As Pender County continues to experience strong economic growth, the County is faced with the challenges of dealing with current events as well as continued infrastructure needs in water, wastewater, administrative buildings and school facilities. Currently there are a number of economic development projects with potential for additional job creation and tax base growth in the County.

The process of going through each departmental request has been done in a thoughtful manner, considering the overall needs of the departments and the financial capabilities of the County. As is normally the case, many of the requests for new positions and new capital needs requested were not included in the recommended budget. As the County transitions over the next two to three years, more consideration will be given to these items if warranted based on affordability and continued growth pressures.

The FY 2020-2021 recommended budget includes significant reductions from requested amounts as expenditures have been scaled back as much as possible to allow for revenue adjustments from typical projections to anticipate shortfalls due to the economic impact of COVID-19. Many revenue figures, particularly the largest revenue sources, have been projected to include very conservative growth depending on the source and expenditures have been allocated accordingly in order to present a balanced budget, with no appropriation from fund balance.

A fund balance appropriation can be justified for one-time expenditures but must not be appropriated for recurring expenses. Each fiscal year the County typically appropriates approximately \$300,000 thru \$600,000 to balance the projected revenues with the projected expenditures. During the fiscal year, rarely are these appropriated funds utilized. The latest audit for the fiscal year ending June 30, 2019 indicated the unassigned fund balance was \$27,237,327. This is the amount of unassigned fund balance (savings) which is available for spending at the government's discretion. This is one of the most important measures of the County's financial security and ability. By maintaining this fund balance, the County can take advantage of preferred bond ratings and interest rates when it issues debt to finance public facilities such as schools, jails, etc. Currently the County has Aa bond ratings with Standard & Poor's and Moody's.



GENERAL FUND REVENUES

The total recommended general fund budget is \$70,274,153.

Ad Valorem revenue is calculated using three factors: the tax rate, the tax base, and the annual collection rate. Historically, Pender County collects a very high percent of levied property taxes within the given fiscal year. Collection rates have been over 98 percent since 2015 and were 98.05 in 2019.

The total projected tax base for FY 2020-2021 is \$8,431,964,284, which is \$349961595 or 4.33% above the FY2019-2020 tax base of \$8,082,002,689 used to budget. The total projected real property and personal property value for FY 2020-2021 is \$7,488,481,777 and the motor vehicle base which has averaged a 7.04% increase over the last three years is projected to be \$817,035,194 for FY2020-2021.

The total real and personal property levy, inclusive of utilities, for FY 2020-2021 is calculated on a tax base of \$7,614,929,090. Due to the current impact of COVID-19, the collection rate has only projected to reach 95% in 2020. Therefore, according to NC statute, the 2021 collection rate has been estimated at the 2020 rate of 95%. The tax rate of 64.5 cents, at the estimated collection rate of 95% for real and personal property and 100% for utilities, is projected to provide \$46,660,478 in revenues on 2021 tax levies. The projected collection rate for motor vehicles is nearly 100% and is expected to generate revenue of \$5,269,877. The value of one cent on the tax rate is \$805,122 in 2021. The county tax on a \$200,000 home would be \$1,290 and the county tax on a \$20,000 vehicle would be \$129.

The County adopts fourteen tax rates annually: one for the County, one for EMS county-wide, and twelve for the various Fire Districts, none of which have changed from the prior year.

	FY 2020-2021 Rate
County Ad Valorem	0.645
EMS County-Wide	0.0925
Pender Central Fire	0.090
Sloop Point Fire	0.095
Maple Hill Fire	0.070
Rocky Point Fire	0.0875
Long Creek Fire	0.110
Shiloh Fire	0.100
Penderlea Fire	0.100
Atkinson Fire	0.070
Hampstead Fire	0.095
Scotts Hill Fire	0.095
Northeast Pender Fire	0.100
Penderlea Duplin Fire	0.047



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A major source of governmental revenue is local option sales tax. The local option portion of sales tax is 2.00 cents and the state sales tax rate is 4.75 cents for a total of 6.75 cents. The FY 2020-2021 budget contains a 14.58% projected decrease in sales tax, compared to the county’s sales tax projections for typical sales tax revenues, pre-COVID-19. Due to the COVID-19 situation, the projected sales tax revenues are a 2.32% decrease from FY 2018-2019 actual sales tax revenues collected. This does not include \$4,293,473 of the sales tax designated for the schools, which is a mandated 30% of Article 40 sales tax and 100% of Article 42 sales tax, of which 60% is mandated.

Other revenues have been projected with very conservative increases due to continued growth.

	Actual FY 2018	Actual FY 2019	Budget FY 2020	Budget FY 2021	% Change
Solid Waste Fees	\$1,268,744	\$1,931,692*	\$1,400,000	\$1,740,000	24.29%
Building Permits	\$941,628	\$1,132,588	\$1,089,664	\$1,400,000	28.48%
Deed Stamp Excise Tax	\$572,540	\$1,152,567	\$1,235,369	\$1,614,908	30.72%

*Note – increase Solid Waste fees in FY 2019 related to activity generated by Hurricane Florence, not typical.

The restricted intergovernmental funds from the state and federal governments are projected to total \$8,378,880 net of \$500,000 NC Educational Lottery proceeds budgeted to be received for the schools. The recommended budget includes a general fund contribution of \$8,934,008 for Health and Human Services.

Revenues from all sources will be an extreme focus for the next year as the full extent of the economic impacts of COVID-19 cannot be determined at this time and will require close monitoring to ensure finances stay on track or make necessary adjustments as timely as possible.

Economic Development

Pender Commerce Park (PCP) along US Highway 421 continues to fuel strong economic development activities in Pender County. Last year, two additional announcements and closings occurred within the park. Polyhose, an India-based manufacturer, chose Pender County as their North American headquarters adding 51 job to a workforce of more than 600 employees within PCP. Also, Project Ramm resulted in the purchase of over 12 acres park for the construction of a Class-A spec building that has already drawn international interest. Project Ramm and Polyhose join current tenants Acme Smoked Fish, Empire Distributors, Coastal Beverage, and FedEx Freight. These two announcements and purchases bring the cumulative total of capital investment to \$103 million dollars and 653,000 square feet of industrial space within PCP. The continued success and interest in Pender Commerce Park has necessitated the need for Pender County to look at park expansion in the coming years. This expansion will allow Pender County to further diversify and expand its tax base and workforce in years to come.



GENERAL FUND EXPENDITURES

Despite the 2021 reduction in funds due to the current COVID-19 impact, the County’s recommended budget includes a continued focus on two major efforts:

First, to emphasize employee retention and recruitment efforts, the following have been included:

- Recommendation of 1.5% Cost of Living Increase.
- Maintaining the 2.5% 401(K) contribution.
- Maintaining county employee, eligible dependent children and retiree health plan with no increase in employee premiums or reduction of benefits.
- New positions have been included only where they are fully justified at current workload volumes for critical functions – ten new positions for a total of \$288,348
- Expenditure appropriation for a comprehensive salary study.

In order to meet the demands of and prepare for future potential growth, also included are:

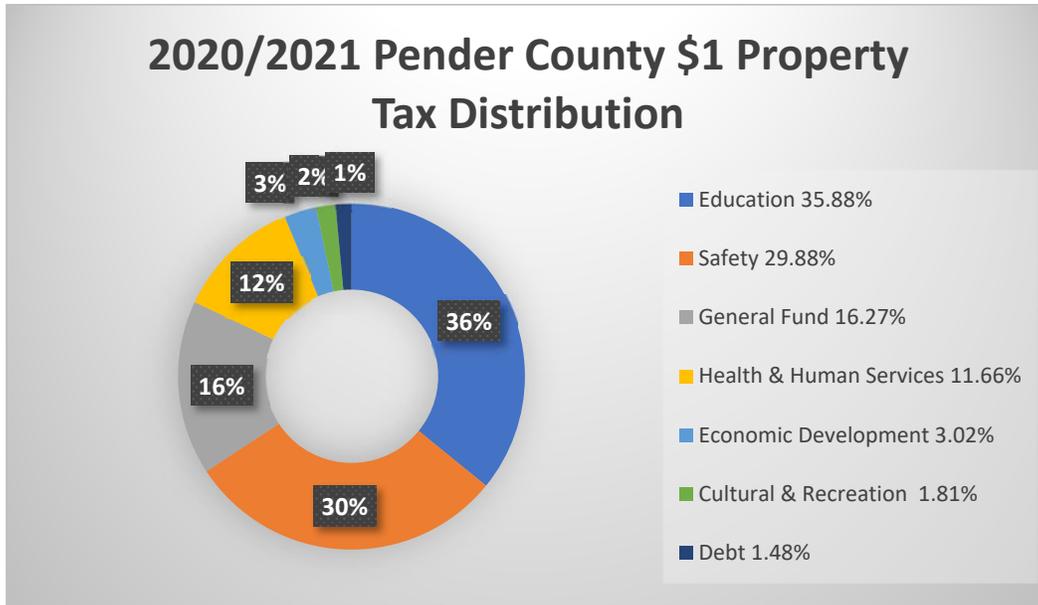
- Increase of 8.83% in Pender County Schools for the operating budget resulting from growth in sales tax.
- Increase of 5.53% increase in Cape Fear Community College to support existing programs.
- Continued the County’s commitment of \$360,000 for beach re-nourishment.
- Maintained the County’s computer replacement program
- Continued funding for technology/computer software support and cyber technology upgrades.
- Replace vehicles utilized beyond end of useful life.
- Increase funding of inspection department to accommodate the County’s building growth.

Major portions of General Fund revenues are appropriated as detailed in the previous chart which explains where every penny goes for each dollar collected. The attached Budget Ordinance provides the detailed breakdown of what makes up these classifications for each function of County Government. From this you can see that the largest portions of County dollars go towards:

Schools	\$27,586,186
Public Safety	\$11,766,502
Social Services	\$5,433,065
Health Department	\$3,500,943

Additional District Taxes are as follows:

EMS Tax	\$6,934,684
Fire District Tax	\$4,841,981



Pender County Schools

The County's public educational system plays a crucial role in the County achieving status as a thriving and prosperous community. Due to the challenges of this budget year, the budget includes an appropriation in the amount of \$20,220,842 for current expense which is a \$1,390,802 increase over the current fiscal year. The recommended budget also includes \$2,417,084 for Capital Outlay. The current expense & capital appropriation for public schools this year is \$22,637,926. In addition to this appropriation the County also budgets school debt service in the amount of \$4.9M and \$630,742 for school resource officers for a total of \$28,216,928. In addition, portions of local option sales tax and all lottery funds are dedicated for use to fund school debt service as discussed previously. The Board of Commissioners is committed to continued gradual increases in local funding for Pender County Schools. Moving forward it will be a priority to increase current expense funding to ensure the development of a stronger workforce and to prepare our young citizens for a 21st century competitive environment.

Cape Fear Community College

Included in the appropriation for the Community College are total funds in the amount of \$778,527, or \$610,527 for current expense and \$168,000 for capital outlay. This fiscal year the two buildings previously leased by CFCC were purchased by the County. This will allow for expansion of career training programming at this location. Capital outlay funding was used during the current fiscal year to up-fit the buildings into instructional space. This is an important investment of public funds and will provide measurable benefits to Pender County and the region. The County must continue its commitment to workforce development as it strengthens our talent base for existing and new employers in the County.



Debt Service

The County's total outstanding Governmental Funds debt will decline from \$112,935,092 to \$105,996,554 as of June 30, 2020. Of that beginning balance, \$94,270,000 is related to School assets not owned by the County. Total Governmental Fund Debt Service for FY 2020-2021 is \$11,569,728, which includes principal and interest expense.

Employee Compensation & Benefits

As detailed in the Budget Ordinance, County department requests for new position/reclassifications and wages this year totaled \$1,253,581 with \$379,536 being recommended. Of this recommended amount, \$91,188 will be reimbursed by external sources, leaving the County's portion of the cost at \$288,348. Ten new full-time positions are being recommended. These positions include the following: Deputy Register of Deeds, Utility Customer Service Representative, Maintenance Tech II, 2 Social Workers IV, Building Inspector I, IM Investigator, Real Estate Appraiser, Office Assistance, and Tax Mapper.

The following position reclassifications have been recommended: 4 PHN II, Grounds Crew Leader, Human Resource Generalist, Facilities Administrative Officer, Environmental Health Supervisor, Emergency Management Coordinator, 4 Investigators, 2 Processing Assistants V, and Environmental Health Specialist. There are several other reclassifications requested in various departments.

This budget includes a 1.5% COLA with an effective date of June 28, 2020, with the first payment starting on July 17, 2020. The estimated cost of this increase is \$308,058. Also included is a 2.5% 401(k) contribution for all non-law enforcement staff. The estimated cost of this contribution is \$420,015. Law Enforcement staff currently receive a 5% 401(k) contribution.

The North Carolina Department of State Treasurer Retirement Systems Division has notified the county that employer contribution rates have increased from 9.01% to 10.15% for general employees and from 9.70% to 10.90% for Law Enforcement in FY 2020-2021.

Health Insurance & Worker's Compensation

The County continues to participate in the State Health Plan providing medical coverage for its permanent employees. The current year expenditure for this benefit is \$2,707,214 or \$6,559 per employee. Only 412 of the 421 eligible employees are covered by the Health Insurance. The total number of full & part-time employees is 525. By being a part of this large pool of more than 600,000 state and local government workers, the County benefits greatly by having quality healthcare for its staff as well as financial security. The County participates in the Worker's Compensation Program of the North Carolina Association of County Commissioners and the FY 2020-2021 appropriation for this program is \$377,800.



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Additionally, the County provides a healthcare supplement for 65 & older retirees and health insurance benefits to its retirees who are under 65 until they become Medicare eligible. The FY 2020-2021 projected cost of the program is \$214,105.

EMS & Fire Services

In addition to the outside agencies/programs funded by the County, the County Board of Commissioners adopts a Fire and EMS tax rate to fund these programs throughout the County. The total revenue projected for all County fire departments is \$4,841,981. To provide transparency and accountability these units submit a detailed budget for their public funds received from the County taxpayers. Also included are general fund appropriations for providing services for the Maple Hill, Penderlea, Atkinson, and Shiloh Fire Departments. The total appropriation for Pender EMS is \$6,934,684 from the EMS tax. This supports the county-wide EMS program.

Supplement to Fire Services

In the rural portion of the County still served by volunteer fire agencies, it has become clear the pool of volunteers is becoming less adequate to provide services around the clock. This issue places pressure on the County to fund additional paid staffing in areas where the tax base doesn't generate enough funding to cover the costs of these needs. In the current budget process there were six general fund requests approved to provide day-time staffing for rural fire departments, four of which are included in the recommended budget, the same four as in prior year. These departments are meant to be funded by the fire tax collected in each of their respective service districts. However, the tax base in some of the districts do not generate adequate funding to support the increasing fire department costs. Even after the recent countywide property revaluation, several of the rural fire districts did not have significant growth to improve the funding situation, even after the eight-year period. To effectively deal with this situation, the Board of Commissioners are currently engaging of a specialized consultant to study possible options for developing a financing plan for these fire districts in future fiscal years.



County Support for Outside Agencies

Included within the budget is a complete listing of all financial contributions of support from the County to various entities, municipal governments and non-profit organizations outside of Pender County Government. This is a total appropriation of \$1,587,424. Below is a listing of the major expenditures for these programs. It is important to note that some are funded by pass-through and some are listed individually in the Budget Ordinance:

Burgaw Chamber of Commerce	\$1,000
Continuum of Care - Homelessness	\$5,150
Topsail Area Chamber of Commerce	\$1,500
Surf City Beach Re-nourishment	\$180,000
Topsail Beach Re-nourishment	\$180,000
Atkinson Library	\$5,000
Wilmington Business Development	\$110,000
Cape Fear RC&D	\$9,000
Henderson Field Airport	\$50,000
Pender Soil & Water Conservation	\$88,863
Trillium	\$75,000
Pender Adult Services	\$211,000
Pender County Museum	\$5,000
Cape Fear River Program	\$4,000
Willard Outreach	\$3,500
Southeast Economic Development	\$4,700
Springfest	\$500
SE Mental Health	\$19,420
ROAP	\$167,000
Pender Adult Services (HCCBG) (this is Federal pass-through funding)	\$466,791

**PENDER COUNTY, NORTH CAROLINA
FISCAL YEAR 2020 – 2021 BUDGET ORDINANCE**

BE IT ORDAINED by the Board of Commissioners of Pender County, North Carolina as follows:

Section 1A. The following amounts are hereby appropriated in the General Fund (Fund #10) for the operation of the County Government and its activities for the fiscal year beginning July 1, 2020 and ending June 30, 2021, in accordance with the Chart of Accounts heretofore established for Pender County:

Pender County Schools	\$20,220,842
Pender County Schools Capital Outlay	7,365,344
Cape Fear Community College	778,527
Board of Commissioners	242,734
County Manager	558,513
Human Resources	365,409
County Attorney	137,118
EDTAP Transportation	167,000
Finance	734,826
Information Technology	2,157,892
Board of Elections	363,016
Register of Deeds	1,413,705
Tax Administration	1,751,162
Planning & Community Development	472,067
Permitting & Inspections	910,245
Parks & Recreation	416,928
JCPC Programs	157,283
Shooting Range	140,776
Library	893,401
Facilities & Fleet Services –Facilities Maintenance	2,533,811
Facilities & Fleet Services – Fleet Maintenance	249,287
Facilities & Fleet Services – Grounds Maintenance	475,412
Emergency Management	492,572
Sheriff/Jail/Animal Control/SRO	11,766,502
Tourism	215,331
Veterans Service Office	196,941
Health Department	3,500,943
Public Assistance	5,433,065
Clerk of Superior Court	19,500
Division of Forest Resources	246,945
NC Cooperative Extension Services	186,202
Outside Agencies	944,213
Option 4 Sales Tax	779,607
Medical Examiner	85,000
Debt Service	544,339
Non-Departmental	1,716,379
Revaluation	235,500
Transfer to Penderlea Fire	240,553
Transfer to Maple Hill Fire	175,000
Transfer to Shiloh Fire	125,000

Transfer to Atkinson Fire	15,000
Pender Commerce Park WWTP	850,263
TOTAL GENERAL FUND	\$70,274,153

Section 1B. It is estimated that the following revenues will be available in the General Fund (Fund #10) for the fiscal year beginning July 1, 2020 and ending June 30, 2021.

Property Taxes – Current Year	\$46,660,478
Property Taxes – Prior Year, Penalties & Interest, etc.	731,743
Property Taxes – Motor Vehicles	5,269,877
Sales Tax	9,664,432
Sales, Services, and Other Revenues	6,558,707
Intergovernmental Revenues	1,388,916
Total Revenues	\$70,274,153

Section 1C. There is hereby levied a tax at the rate of sixty-four point five (\$.645) per one hundred dollars (\$100) valuation of property listed as of January 1, 2020, for the purpose of raising revenue included in "Property Taxes" in the General Fund in Section 1B of this ordinance. This rate of tax is based on an estimated total valuation of property for the purpose of taxation of \$7,614,929,090 and an estimated collection rate of 95%.

Section 1D. The following amounts are hereby appropriated in the Health Department (Fund #11) for the fiscal year beginning July 1, 2020 and ending June 30, 2021, in accordance with the Chart of Accounts heretofore established for this County:

Public Health Department	
General Administration	\$477,665
Environmental Health	695,302
Women's Health	374,369
Communicable Diseases	138,800
Child Health	526,055
CSC	133,796
Animal Shelter	551,626
Immunization	283,751
WIC	380,496
Maternity Care Coordination	140,893
Mobile Dental Clinic	428,645
Maternal Health	409,197
Health Promotion	182,619
Breast/Cervical Cancer	11,665
Dental Health	596,173
School Nurses	150,000
Bioterrorism	44,507
Adult Public Health	301,945
Laboratory	138,248
Pathology	199,357
Mosquito Control	324,710
Total Expenditures	\$6,489,819

Section 1E. It is estimated that the following revenues will be available to the Public Health Department (Fund #11) for the fiscal year beginning July 1, 2020 and ending June 30, 2021:

Public Health Department	
Fees & Services	\$1,474,731
State & Federal Funds	1,514,145
Transfer from General Fund	3,500,943
Total Revenues	\$6,489,819

Section 1F. The following amounts are hereby appropriated in the Department of Social Services (Fund #12) for the fiscal year beginning July 1, 2020 and ending June 30, 2021, in accordance with the Chart of Accounts heretofore established for this County:

Department of Social Services	
Administration	\$7,541,808
Program	3,397,493
Total Expenditures	\$10,939,301

Section 1G. It is estimated that the following revenues will be available to the Department of Social Services (Fund #12) for the fiscal year beginning July 1, 2020 and ending June 30, 2021:

Fees & Services	\$7,000
Federal & State Funding	5,475,819
Other	8,176
Fund Balance Appropriated	15,241
Transfer from General Fund	5,433,065
Total Revenues	\$10,939,301

Section 1H. The following amounts are hereby appropriated in the Sheriff State Seizure Fund (Fund #14) for the fiscal year beginning July 1, 2020 and ending June 30, 2021, in accordance with the Chart of Accounts heretofore established for this County:

Sheriff State Seizure Fund	
Operations	\$25,400
Total Expenditures	\$25,400

Section 1I. It is estimated that the following revenues will be available to the Sheriff State Seizure Fund (Fund #14) for the fiscal year beginning July 1, 2020 and ending June 30, 2021:

State Seizure Funds	\$25,400
Total Revenues	\$25,400

Section 2A. The following amounts are hereby appropriated in the Public School Capital Special Revenue Fund (Fund #28) for the expenditures associated with the debt service and other school capital projects funded by the County for the fiscal year beginning July 1, 2020 and ending June 30, 2021, in accordance with the Chart of Accounts heretofore established for this County:

Debt Service Expenditures – 2010	\$473,800
Debt Service Expenditures – 2012	2,967,975
Debt Service Expenditures -- 2016	7,261,463
Option Four Redistribution	322,151
Total Expenditures	\$11,025,389

Section 2B. It is estimated that the following revenues will be available to the Public School Capital Fund (Fund #28) for the fiscal year beginning July 1, 2020 and ending June 30, 2021:

Transfer from General Fund	\$4,948,260
Sales Tax	4,615,624
Lottery Funds	500,000
Interest Revenue	800
Fund Balance Appropriated	960,705
Total Revenues	\$11,025,389

Section 3A. The following amounts are hereby appropriated in the E911 Fund (Fund #252) for the emergency telephone system during the fiscal year beginning July 1, 2020 and ending June 30, 2021, in accordance with the Chart of Accounts heretofore established for this County:

E911 Operating	\$321,510
Total Expenditures	\$321,510

Section 3B. It is estimated that the following revenues will be available to the E911 Fund (Fund #252) for the fiscal year beginning July 1, 2020 and ending June 30, 2021:

911 Fees	\$321,510
Total Revenues	\$321,510

Section 4A. The following amounts are hereby appropriated in the Fire District Fund (Fund #26) for the operation of fire departments for the fiscal year beginning July 1, 2020 and ending June 30, 2021, in accordance with the Chart of Accounts heretofore established for this County:

Fire Districts	\$5,397,534
Total Expenditures	\$5,397,534

Section 4B. It is estimated that the following revenues will be available to the Fire District Fund (Fund #26) for the fiscal year beginning July 1, 2020 and ending June 30, 2021:

Fire District Taxes	\$4,841,981
Contribution from General Fund to Maple Hill Fire	175,000
Contribution from General Fund to Penderlea VFD	240,553
Contribution from General Fund to Shiloh VFD	125,000
Contribution from General Fund to Atkinson Fire	15,000
Total Revenues	\$5,397,534

Section 4B1. There is hereby levied a tax at the rate of **\$0.09** per \$100.00 valuation of property listed for taxes as of January 1, 2020, located within the Pender Central Fire Tax District for the purpose of supplementing the revenues of the **Burgaw Fire Department**.

Section 4B2. There is hereby levied a tax at the rate of **\$0.070** per \$100.00 valuation of property listed for taxes as of January 1, 2020, located within the Maple Hill Fire Tax District for the purpose of supplementing the revenues of the **Maple Hill Volunteer Fire Department**.

Section 4B3. There is hereby levied a tax at the rate of **\$0.0875** per \$100.00 valuation of property listed for taxes as of January 1, 2020, located within the Rocky Point Fire Tax District for the purpose of supplementing the revenues of the **Rocky Point Volunteer Fire Department**.

Section 4B4. There is hereby levied a tax at the rate of **\$0.070** per \$100.00 valuation of property listed for taxes as of January 1, 2020, located within the Atkinson Fire Tax District for the purpose of supplementing the revenues of the **Atkinson Volunteer Fire Department**.

Section 4B5. There is hereby levied a tax at the rate of **\$0.100** per \$100.00 valuation of property listed for taxes as of January 1, 2020, located within the Northeast Pender Fire Tax District for the purpose of supplementing the fire revenues of the **Town of Surf City**.

Section 4B6. There is hereby levied a tax at the rate of **\$0.100** per \$100.00 valuation of property listed for taxes as of January 1, 2020, located within the Penderlea Fire Tax District for the purpose of supplementing the revenues of the **Penderlea Volunteer Fire Department**.

Section 4B7. There is hereby levied a tax at the rate of **\$0.100** per \$100.00 valuation of property listed for taxes as of January 1, 2020, located within the Shiloh Fire Tax District for the purpose of supplementing the revenues of the **Shiloh Volunteer Fire Department**.

Section 4B8. There is hereby levied a tax at the rate of **\$0.047** per \$100 valuation of property listed for taxes as of January 1, 2020, located within the Duplin-Pender Fire District for the purpose of supplementing the revenues of the **Wallace Fire Department**.

Section 4B9. There is hereby levied a tax at the rate of **\$0.095** per \$100 valuation of property listed for taxes as of January 1, 2020, located within the Sloop Point Fire District for the purpose of supplementing the revenues of the **Sloop Point Fire Department**.

Section 4B10. There is hereby levied a tax at the rate of **\$0.110** per \$100 valuation of property listed for taxes as of January 1, 2020, located within the Long Creek Grady Fire District for the purpose of supplementing the revenues of the **Long Creek Fire Department**.

Section 4B11. There is hereby levied a tax at the rate of **\$0.095** per \$100 valuation of property listed for taxes as of January 1, 2020, located within the Hampstead Fire District for the purpose of supplementing the revenues of the **Hampstead Fire Department**.

Section 4B12. There is hereby levied a tax at the rate of **\$0.095** per \$100 valuation of property listed for taxes as of January 1, 2020, located within the Scotts Hill Fire District for the purpose of supplementing the revenues of the **Scotts Hill Department**.

Section 4B13. There is hereby levied a tax at the rate of **\$0.100** per \$100 valuation of property listed for taxes as of January 1, 2020, located within the Northeast Pender Fire District for the purpose of supplementing the revenues of the **Northeast Pender Department**.

Section 5A. The following amounts are hereby appropriated in the **Emergency Medical Service Fund** (Fund #27) for the operation of rescue services for the fiscal year beginning July 1, 2020 and ending June 30, 2021, in accordance with the Chart of Accounts heretofore established for this County:

Operating-EMS	\$6,934,684
Total Expenditures	\$6,934,684

Section 5B. It is estimated that the following revenues will be available to the Emergency Medical Service Fund (Fund #27) for the fiscal year beginning July 1, 2020 and ending June 30, 2021:

EMS Tax	\$6,934,684
Total Revenues	\$6,934,684

Section 5B1. There is hereby levied a tax at the rate of **\$0.0925** per \$100.00 valuation of property listed for taxes as of January 1, 2020, located within the County for the purpose of funding **Emergency Medical Services in the County**.

Section 6A. The following amounts are hereby appropriated in the Revaluation Fund (Fund #29) for the revaluation of property in Pender County for the fiscal year beginning July 1, 2020 and ending June 30, 2021, in accordance with the chart of accounts heretofore established for this County:

Reserves	\$235,500
Total Expenditures	\$235,500

Section 6B. It is estimated that the following revenues will be available to the Revaluation Fund (Fund #29) for the fiscal year beginning July 1, 2020 and ending June 30, 2021:

Transfer from General Fund	\$235,500
Total Revenues	\$235,500

Section 7A. The following amounts are hereby appropriated in the Solid Waste Management Fund (Fund #75) for the operation of the collection and disposal of solid waste for the fiscal year beginning July 1, 2020 and ending June 30, 2021, in accordance with the chart of accounts heretofore established for this County:

Solid Waste Collection and Disposal	\$6,834,000
Total Expenditures	\$6,834,000

Section 7B. It is estimated that the following revenues, including user fees at \$220, availability fees at \$110 and tipping fees at \$78 per ton, will be available to the Solid Waste Management Fund (Fund #75) for the fiscal year beginning July 1, 2020 and ending June 30, 2021:

Solid Waste User Fees	\$4,700,000
Landfill Fees	1,740,000
Recycling and Other Revenues	394,000
Total Revenues	\$6,834,000

Section 8A. The following amounts are hereby appropriated in the Maple Hill Water & Sewer District Enterprise Fund (Fund #71) for the operation of the Maple Hill water distribution system and sewer system for the fiscal year beginning July 1, 2020 and ending June 30, 2021, in accordance with the chart of accounts heretofore established for this County:

Maple Hill Water & Sewer District	\$231,000
Total Expenditures	\$231,000

Section 8B. It is estimated that the following revenues will be available to the Maple Hill Water & Sewer District Enterprise Fund (Fund #71) for the fiscal year beginning July 1, 2020 and ending June 30, 2021:

Water & Sewer Fees	\$226,000
Other Revenue	5,000
Total Revenues	\$231,000

Section 9A. The following amounts are hereby appropriated in the Rocky Point/Topsail Water & Sewer District Enterprise Fund (Fund #72) for the fiscal year beginning July 1, 2020 and ending June 30, 2021, in accordance with the chart of accounts heretofore established for this County:

Rocky Point/Topsail Water & Sewer District Fund	\$5,927,500
Total Expenditures	\$5,927,500

Section 9B. It is estimated that the following revenues will be available to the Rocky Point/Topsail Water & Sewer District Fund (Fund #72) for the fiscal year beginning July 1, 2020 and ending June 30, 2021:

Water and Sewer Fees	\$5,775,500
Other Revenue	152,000
Total Revenues	\$5,927,500

Section 10A. The following amounts are hereby appropriated in the Scotts Hill Water & Sewer District Enterprise Fund (Fund #76) for the fiscal year beginning July 1, 2020 and ending June 30, 2021, in accordance with the chart of accounts heretofore established for this County:

Scotts Hill Water & Sewer District	\$318,800
Total Expenditures	\$318,800

Section 10B. It is estimated that the following revenues will be available to the Scotts Hill Water & Sewer District Enterprise Fund (Fund #76) for the fiscal year beginning July 1, 2020 and ending June 30, 2021:

Water Fees	\$315,000
Other Revenue	3,800
Total Revenues	\$318,800

Section 11A. The following amounts are hereby appropriated in the Water Treatment Plant Enterprise Fund (Fund #77) for the fiscal year beginning July 1, 2020 and ending June 30, 2021, in accordance with the chart of accounts heretofore established for this County:

Water Treatment Plant	\$2,623,932
Total Expenditures	\$2,623,932

Section 11B. It is estimated that the following revenues will be available to the Water Treatment Plant Enterprise Fund (Fund #77) for the fiscal year beginning July 1, 2020 and ending June 30, 2021:

Water Fees	\$1,924,760
Transfer from Capacity Fees	697,172
Investment Income	2,000
Total Revenues	\$2,623,932

Section 12A. The following amounts are hereby appropriated in the Housing Enterprise Fund (Fund #73 & 74) for the operation of the Pender County Housing Section 8 Program and the Country Court Apartments for the fiscal year beginning July 1, 2020 and ending June 30, 2021, in accordance with the chart of accounts heretofore established for this County:

Section 8 Expenditures	\$1,406,906
Country Court Expenditures	75,846
Total Expenditures	\$1,482,752

Section 12B. It is estimated that the following revenues will be available to the Housing Enterprise Fund (Fund #73 & 74) for the operation of the Pender County Housing Section 8 Program and the Country Court Apartments for the fiscal year beginning July 1, 2020 and ending June 30, 2021:

Section 8 Revenues	\$1,406,906
Country Court Revenues	75,846
Total Revenues	\$1,482,752

Section 13A. The following amounts are hereby appropriated in the Automation Enhancement & Preservation Fund (Fund #49) for the fiscal year beginning July 1, 2020 and ending June 30, 2021, in accordance with the Chart of Accounts heretofore established for this County.

Supplies & Materials	\$1,000
Contracted Services	\$39,000
Total Expenditures	\$40,000

Section 13B. It is estimated that the following revenues will be available to the Automation Enhancement & Preservation Fund (Fund #49) for the fiscal year beginning July 1, 2020 and ending June 30, 2021.

Fees Collected	\$40,000
Total Revenues	\$40,000

Section 14A. The following amounts are hereby appropriated in the Moore's Creek Water & Sewer Enterprise Fund (Fund #56) for the fiscal year beginning July 1, 2020 and ending June 30, 2021, in accordance with the Chart of Accounts heretofore established for this County:

Moore's Creek Water & Sewer District	\$310,550
Total Expenditures	\$310,550

Section 14B. It is estimated that the following revenues will be available to the Moore's Creek Water & Sewer District Enterprise Fund (Fund #56) for the fiscal year beginning July 1, 2020 and ending June 30, 2021:

Water Fees	\$310,550
Total Revenues	\$310,550

Section 15A. The following amounts are hereby appropriated in the Central Pender Water & Sewer District Enterprise Fund (Fund #57) for the fiscal year beginning July 1, 2020 and ending June 30, 2021, in accordance with the Chart of Accounts heretofore established for this County:

Central Pender Water & Sewer District	\$295,125
Total Expenditures	\$295,125

Section 15B. It is estimated that the following revenues will be available to the Central Pender Water & Sewer District Enterprise Fund (Fund #57) for the fiscal year beginning July 1, 2020 and ending June 30, 2021:

Water Fees	\$183,500
Transfer from Capacity Fees	109,125
Other Revenues	2,500
Total Revenues	\$295,125

Section 16A. The following amounts are hereby appropriated in the Capacity Fees Fund (Fund #59) for the fiscal year beginning July 1, 2020 and ending June 30, 2021, in accordance with the Chart of Accounts heretofore established for this County:

Transfer to Central Pender W&S (Fund #57)	\$109,125
Reserves	277,436
Transfer to Water Treatment Plant (Fund #77)	697,172
Transfer to Wastewater Treatment Plant (Fund 78)	516,267
Total Expenditures	\$1,600,000

Section 16B. It is estimated that the following revenues will be available to the Water/Wastewater Capacity Fees Fund (Fund #59) for the fiscal year beginning July 1, 2020 and ending June 30, 2021:

Water Capacity Fees	\$1,600,000
Total Revenues	\$1,600,000

Section 17A. The following amounts are hereby appropriated in the Wastewater Treatment Plant Fund (Fund #78) for the fiscal year beginning July 1, 2020 and ending June 30, 2021, in accordance with the Chart of Accounts heretofore established for this County:

Wastewater Treatment Plant	\$1,906,530
Total Expenditures	\$1,906,530

Section 17B. It is estimated that the following revenues will be available to the Wastewater Treatment Plant Fund (Fund #78) for the fiscal year beginning July 1, 2020 and ending June 30, 2021:

Wastewater Fees	\$540,000
Transfer from General Fund	850,263
Transfer from Capacity Fees (Fund #59)	516,267
Total Revenues	\$1,906,530

Section 18A. The following amounts are hereby appropriated in the Fuel Depot Fund (Fund #53) for the fiscal year beginning July 1, 2020 and ending June 30, 2021, in accordance with the Chart of Accounts heretofore established for this County:

Fuel Depot Operations	\$472,340
Total Expenditures	\$472,340

Section 18B. It is estimated that the following revenues will be available to the Fuel Depot Fund (Fund #53) for the fiscal year beginning July 1, 2020 and ending June 30, 2021:

Sales to Departments	\$264,038
Overhead Fee	52,902
Sales to Outside Agencies	155,400
Total Revenues	\$472,340

Section 19A. The following amounts are hereby appropriated in the General Water Fund (Fund #79) for the fiscal year beginning July 1, 2020 and ending June 30, 2021, in accordance with the Chart of Accounts heretofore established for this County:

Bond Principal	\$460,000
Bond Interest	839,526
Total Expenditures	\$1,296,126

Section 19B. It is estimated that the following revenues will be available to the General Water Fund (Fund #79) for the fiscal year beginning July 1, 2020 and ending June 30, 2021:

Payment from Rocky Pt/Topsail W&S District	\$1,296,126
Total Revenues	\$1,296,126

Section 20A. The following amounts are hereby appropriated in the Tourism Development Authority Fund (Fund #44) for the fiscal year beginning July 1, 2020 and ending June 30, 2021, in accordance with the Chart of Accounts heretofore established for this County:

Supplies	\$28,000
Total Expenditures	\$28,000

Section 20B. It is estimated that the following revenues will be available to the Tourism Development Authority (Fund #44) for the fiscal year beginning July 1, 2020 and ending June 30, 2021:

Occupancy Tax	\$28,000
Total Revenues	\$28,000

Section 21. The Budget Officer is hereby authorized to transfer appropriations as contained herein under the following conditions:

- a. He may transfer amounts between line item expenditures within a department without limitation and without a report being required.
- b. He may transfer amounts up to \$10,000 between departments, including contingency appropriations, within the same fund. They must make an official report on such transfers at the next regular meeting of the Board of Commissioners.
- c. He may not transfer any amounts between funds, except as approved by the Board of Commissioners in the Budget Ordinance as amended.

Section 22. The following are in effect in expenditure control:

- a. Purchase orders are required for any purchases over \$500.
- b. Formal approval from the Board is required for all "non-routine" expenditures exceeding \$20,000. Routine expenditures include utilities, legally required advertising, postage, fuel, and water or sewer purchase contracts.
- c. Emergency approval of purchase orders exceeding \$20,000 may be conveyed by the County Manager in consultation with the Chair of the Board of County Commissioners and subsequent notification of the Board.

Section 23. The Finance Director is authorized to transfer amounts up to \$7,499.00 between line item expenditures within a department without limitation, without Budget Officer approval and without a report being required. These changes should not result in increases in recurring obligations such as salaries.

Section 24. Operating funds encumbered on the financial records as of June 30, 2020, are hereby re-appropriated to this budget.

Section 25. County department requests for new position/reclassifications and wages this year totaled \$1,253,581 with \$379,536 being recommended. Of this recommended amount, \$91,188 will be reimbursed by external sources, leaving the County's portion of the cost at \$288,348. Ten new full-time positions are being recommended. These positions include the following: Deputy Register of Deeds, Utility Customer Service Representative, Maintenance Tech II, 2 Social Workers IV, Building Inspector I, IM Investigator, Real Estate Appraiser, Office Assistance, and Tax Mapper.

The following position reclassifications have been recommended: 4 PHN II, Grounds Crew Leader, Human Resource Generalist, Facilities Administrative Officer, Environmental Health Supervisor, Emergency Management Coordinator, 4 Investigators, 2 Processing Assistants V, and Environmental Health Specialist. There are several other reclassifications requested in various departments.

Salary increases for the Cooperative Extension are being recommended at 1.5% pending approval from NC State per the Memorandum of Understanding. Pender County funds 53.7% of these positions.

A retainer for an additional County Attorney, which is a contracted position, is being requested at a cost of \$65,000.

This budget includes a 1.5% COLA with an effective date of June 28, 2020, with the first payment starting on July 17, 2020. The estimated cost of this increase is \$308,058. Also included is a 2.5% 401(k) contribution for all non-law enforcement staff. The estimated cost of this contribution is \$420,015. Law Enforcement staff currently receive a 5% 401(k) contribution.

The North Carolina Department of State Treasurer Retirement Systems Division has notified the county that employer contribution rates have increased from 9.01% to 10.15% for general employees and from 9.70% to 10.90% for Law Enforcement in FY 2020-2021.

Section 26. Copies of this Budget Ordinance shall be furnished to the Clerk to the Board of Commissioners and to the Budget Officer and Finance Director to be kept on file by them for their direction in the disbursement of funds.

Section 27. There is hereby established, for the Fiscal Year 2020-2021, various fees and charges, as set forth in Attachment "A" (Pender County Fee Schedule-FY 2020-2021, Effective July, 1 2020).

MOVED _____ SECONDED _____

APPROVED _____ DENIED _____ UNANIMOUS

YEA VOTES: Brown___ McCoy ___ Newton___ Piepmeyer___ Williams ___

George R. Brown, Chairman _____
Date

ATTEST _____
Date



Board of Commissioners

*George R. Brown, Jr., Chairman
Archibald "Fred" McCoy, Vice Chairman
Jaqueline A. (Jackie) Newton
David A. Piepmeyer
J. David Williams, Jr.*

County Manager

*Chad McEwen
County Attorney
Carl W. "Trey" Thurman, III
Clerk to the Board
Melissa Long*

Resolution to Adopt the FY 20-21 Budget Ordinance for the Fiscal Year Beginning July 1, 2020

WHEREAS, the budget preparation process began in January with budget instructions being sent to Department Heads, Outside Agencies and Fire Departments; and

WHEREAS, a proposed budget was submitted to the BOCC on May 11, 2020. Budget work sessions were held on May 11, May 14, and May 21 and the required public hearing was held on May 18; and

WHEREAS, the total County Budget is \$115,891,725 which includes the General Fund as well as the following other funds including Utilities, Solid Waste, Fuel Depots, Fire Districts, EMS, E-911, Revaluation, School Debt, Federal & State Seizures, Automation Enhancement and Preservation, & Pender Housing; and

WHEREAS, the proposed budget ordinance provides for a FY 20-21 property tax rate of \$.645 per \$100 valuation of property listed as of January 1, 2020; and

WHEREAS, the property tax rate provides for a FY 20-21 estimated tax levy of \$46,660,478; and

WHEREAS, the FY 20/21 Budget includes a 1.5% Cost of Living Adjustment (COLA) which will be instituted July 2020; and

WHEREAS, the Pender County Board of County Commissioners continues to strive toward success with its four core strategic priorities: A High Performing Organization; A Sustainable and Vibrant Economy; Excellence in Education; and a Diverse County with an Exceptional Quality of Life.

NOW, THEREFORE IT BE RESOLVED by the Pender County Board of Commissioners that the FY 20-21 Budget Ordinance is hereby approved (as presented or as amended at the meeting) and is attached as part of this resolution.

Adopted this the 15th day of June 2020.

George R. Brown, Chairman
Pender County Board of Commissioners

ATTEST:

Melissa Long
Clerk to the Board