

CASWELL COUNTY BOARD OF COMMISSIONERS
MEMBERS PRESENT

May 27, 2022
OTHERS PRESENT

Rick McVey, Chairman
David Owen, Vice Chairman
Nathaniel Hall
Jeremiah Jefferies
Vernon Massengill
Steve Oestreicher

Bryan Miller, County Manager
Carla R. Smith, Clerk to the Board
Jennifer Hammock, Finance Director
Melissa Miller, Deputy Finance Officer

The Board of Commissioners for the County of Caswell, North Carolina, met in a Budget Work Session on Friday, May 27, 2022 at 2:00 pm at the Gunn Memorial Library.

WELCOME:

Chairman McVey called the meeting to order and paused for a moment of Silent Prayer. Then the Board of Commissioners and all the guest in attendance recited the Pledge of Allegiance.

BUDGET WORK SESSION:

County Manager Miller said Commissioners, first of all I'll read from the Budget Message. Commissioners in compliance with NCGS 159-8 to NCGS 159-13 in accordance with Local Government Budget Fiscal Control Act, the fiscal year 2022-2023 general fund budget Budget Message I'm presenting this afternoon. A copy of the general fund budget and budget message will be filed in the office of clerk to the board, where it will remain for public inspection until the governing board adopts the budget ordinance. The clerk will publish a statement that the proposed budget has been submitted to the governing board and is available for public inspection. The clerk will also make a copy of the proposed budget available to all news media and public request. Caswell County Board of Commissioners will hold a public hearing concerning the budget during the second regularly scheduled meeting in June, which is June 20, 2022. This interim period affords citizens time to review the proposed budget and voice their opinions or objectives to governing board members. During the public hearing, any person who wishes to be heard on the budget will be allowed time to speak. In the interim, the Board will hold a series of budget review meetings and briefings on each of the major budget categories at which time changes may be made to the budget, and departments will be given the opportunity to speak about their needs and programs. These meetings will extend until the adoption of the budget, if needed. Adoption of the fiscal year 2022-2023 budget ordinance is anticipated no later than the special scheduled meeting of the Board in June, which would be June 27, 2022, but may occur earlier or later in the process if deemed appropriate by them. Therefore, I respectfully submit the fiscal year 22-23 general fund budget, that is balanced and in accordance with North Carolina law. The budget is in compliance with state statutes, generally

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accepted accounting principles, and in compliance with the direction given by the Board of Commissioners. The following pages are an overview of the fiscal year 22-23 budget, and an overview of the process and issues that grow the development of the 22-23 budget, including a discussion of revenues and expenditures. The purpose of this budget is to provide the county with a fiscally responsible plan. The formal budget development process and the use of budget aids to ensure the county's financial strength and integrity is maintained in the past. An adopted budget is a legal document that serves many purposes. It embodies the priorities, goals, and objectives of government. It defines not only the financial aspects of government, but government organization and operations as well. This budget contains information that gives citizens insight into government activities. This is the third consecutive budget that has begun preparations on the shadow of continued pandemic. However, as the budget process unfolds, the county and the country seem to begin to turn a corner towards a return to relative norms. As a county we must look to the future and the challenges and opportunities it will provide. The state and local Coronavirus Fiscal Recovery Funds allocation of \$2,195,281 for FY 2022 and \$2,195,281 for FY 2023 will certainly aid in the mitigation of the effects that have been felt in Caswell County, and provide opportunities for the county moving forward. As presented previously, reported to the Board, and was approved, the county will use the vast majority of these funds in the Treasury approved Revenue Replacement category. Revenue often comes with varying degrees of strings attached. Some revenues are restricted in their use, and they can only be used to offset the cost of specific programs or services. Unrestricted revenues are therefore extremely important because they yield the most flexibility and discretion in strategic allocation. The total recommended general fund budget is \$25,434,761, which represents a 3% increase from FY 2022. Property tax revenue is the primary source of governmental funding providing approximately 46% of the general fund revenue. The recommended budget includes an ad valorem tax rate of 73.5 not including a special fire district tax of 0.0369 per \$100 of property tax value, which is a rate equal to the previous year. This means this budget that you're looking at now has no taxes increase.

Commissioner Oestreicher asked if the County Manager could repeat that. County Manager Miller said there's no tax increase from revenue recommended in this year's budget.

Commissioner Oestreicher said the revenue from property taxes reflected in this budget is flat. County Manager Miller said no, there's no property rate tax increase recommended initiative.

County Manager Miller said there is no use of fund balance included in the FY 2023 recommended budget. The final calculation of fund balance ending balances are based on the year-end expenditures over revenue. The use of state and local Coronavirus Local Recovery Funds certainly reduces the amount of general fund appropriation needed to balance the budget, and in this case, reduced that amount to zero. \$4,292,498 of additional unrestricted sales and use tax is also included in the 22-23 budget. Any new requested positions will be evaluated during the budget review meetings and briefings to be held over the next several weeks. We do see an increase of \$170,040 in the DSS appropriation as compared to the current year appropriation.

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The Health Department will see a \$156,742 decrease in funding from the county during the upcoming fiscal year. This is the third year the county appropriation for the Health Department has decreased.

The request for patrol cars is not included in the recommended budget under the debt service vehicles. The Sheriff is requesting eight additional vehicles this year to replace eight that is currently not in the rotation. Commissioner Oestreicher said what does that mean? Dollar-wise? County Manager Miller said we have not yet received quotes from Enterprise on vehicles. Commissioner Oestreicher said but they would be replacing what he's supposedly requesting. He would be replacing owned vehicles with leased equipment. Commissioner Oestreicher said the money for that is not included, and County Manager Miller said that is correct. It will be at a future date, but we have not received those quotes yet.

There is no COLA included with the FY 2022-23 budget. Any salary adjustment request will be evaluated during the budget review meetings and briefings to be held over the next several weeks. I will tell the Board, there are still salary discussions that need to be had in a presentation at some point given by the architects of our salary and grade plan. The Caswell County Board of Education has requested an increase of about 17% or \$632,400. The manager's recommendation represents a 3.5% increase in their current appropriation to account for inflation. Then Commissioner Oestreicher asked if the County Manager will be giving the Board a copy of what you're reading from. County Manager Miller said I am, but just not right now. We did see a decrease in Piedmont Community College's budget. Piedmont Community College received \$582,276 in FY 22, and that appropriation has decreased to \$488,018.

County Manager Miller said I think the outlook for the 22-23 fiscal year budget is bright. I think that outlook for FY 23 is bright in a lot of different ways. I think we'll see continued growth and a continued optimistic spirit by our residents as the threat of COVID decreases. I think our COVID-19 vaccinations have been strong and the effects of COVID-19 are hopefully for the most part in the past. It does remain imperative that we continue to identify creative ways of doing business and providing services that will result in a cost reduction while maintaining service levels as well as searching for new revenue enhancement opportunities other than in property tax revenues. However, we must realize that ad valorem tax revenues are always and will always be our strongest source of revenue. Therefore, we must continue to make Caswell County an enjoyable and inviting place to live, work, and play. I would like to thank the Board of Commissioners for providing valuable direction to staff and assisting in the development of the recommended budget. I also commend the department leaders and their staff for their diligent work on the fiscal year 2022-2023 budget, and I truly appreciate their willingness to sacrifice what they had to in order to reduce expenses. I look forward to working with the Board and the staff to develop my final fiscal year 22-23 budget that will meet the service needs and expectations that everyone will serve. Finally, I would like to thank our Finance Department for working so hard and so diligently over the last couple weeks. In the face of criticism and

negativity, they continue to strive to do what best for this county, and I want to thank them for their efforts. I'm happy to answer any questions the Board may have specifically about this budget.

Commissioner Massengill said he has two questions. I seen the budget here. I seen the adopted numbers for last year. Is there a column or can there be a column of how much to date that money has been spent? I know you can't do it because end of year cheating. It has been 10 months' worth. County Manager Miller said I don't think we have that data available to us right now. Commissioner Massengill said all right. Is it the software? County Manager Miller said it is. Commissioner Oestreicher said it's the data that goes into the software. The software is capable. County Manager Miller said that's correct.

Commissioner Oestreicher said so your FYE is an estimate of what that will look like for expenditures. Right? FYE 21-22 adopted? County Manager Miller said that's what was adopted. Commissioner Oestreicher said that's the budget? County Manager Miller replied that's the budget that was adopted.

Commissioner Massengill said I guess my question was, if only 50% of it was spent, why are we doing the same balance? That's just a question that I kind of would like to know the answer to. Mr. Massengill said another question for you Mr. Chairman and Mr. Manager is regarding the Board of Education. You said they asked for x amount. Then Commissioner Oestreicher asked if the County Manager could go over what they asked for first. Commissioner Owen said it is the third page from the last. County Manager Miller said they have requested in 2022-2023 \$2,867,400 for local operating continuation budget. They have a capital outlay request of \$830,000. Commissioner Massengill asked if that was the school payment, and the County Manager said no. Which gives a total local request of \$3,697,400.

County Manager Miller said are there any other questions by the Board? Commissioner Oestreicher said I'm sure there's a lot more questions, but we just don't know them yet. Chairman McVey said well I think this was an opportunity to get this in our hands. Just start taking a look at it and then we need to set up a work session. After you've seen it and gone over it, if you have questions for certain departments, we should ask Mr. Miller to have department heads come in at that time or whenever we set up the next meeting.

Commissioner Massengill said am I correct we will not meet with the Board of Education. County Manager Miller said that's my understanding. We will not have a meeting with the Board of Education before the budget needs to be passed. Commissioner Massengill asked if we have questions, who would we bring in or ask? County Manager Miller said I'm happy to fill those questions and then retrieve answers. Commissioner Massengill said so nobody can come face to face? County Manager Miller said that's a great question. I'll ask that of the Board of Education.

Chairman McVey asked if there were any more questions or anything the Board would like to bring up? Commissioner Owen said Mr. Chairman, I would just say to all our board members

that if we need additional information before our next meeting, we should just email that to our County Manager so he'll have time to prepare and bring that information back to us.

Chairman McVey asked is there any suggestions on when you'd like to set up the next budget workshop? Commissioner Oestreicher said how about June the 2nd? County Manager Miller said what day of the week is that? Commissioner Oestreicher said Thursday. Chairman McVey asked the Board if they wanted to have the meeting at 2 pm?

Commissioner Oestreicher asked Commissioner Owen if he said the Board should send questions to Mr. Miller? Would we not be better off asking the department head ourselves? Commissioner Owen said no, if you need additional information that's not included in the budget. Commissioner Massengill said that he would supply? Commissioner Owen said yes, you are right. That's the reason we have the department heads to come in, if we need them to. Chairman McVey said to answer, just send Mr. Miller an email and let him know what department heads you want to have there.

Chairman McVey said all right, I've got the next workshop meeting on Thursday, June 2nd at 2 o'clock. Commissioner Oestreicher asked can we schedule another one? Chairman McVey said I expect we will need more than just this one. If you want to wait schedule it at that at that time or if you want to go on and schedule it, that's fine with me. Commissioner Oestreicher said the 9th is good, except I prefer that one in the morning. Commissioner Hall said Mr. Chairman, I have several items on my schedule, and I need to have time to look at my calendar before we start scheduling things. I didn't come prepared, and I don't have my calendar on my phone. Chairman McVey said let's tentatively set up the next meeting for June 2nd at 2 o'clock in the afternoon. Then we can proceed from that meeting to set up others, if that suits the Board. Commissioner Oestreicher asked if it could be in the library? Chairman McVey said I'm assuming we can get this room again. The County Manager said if it's not being used for library programs. Commissioner Oestreicher said if so, we can go to CoSquare. Chairman McVey said one of the two places. Commissioner Oestreicher asked if the Board could get a copy of the Budget message, and County Manager Miller said yes, at the next meeting. Chairman McVey asked if there were any more questions? Is there any discussion?

Commissioner Hall said I can't let this pass. We have a representative here from the School Board, and I think we can ask her a question about the School Board meeting instead of asking the County Manager. We have a representative here. Mrs. Gladys Garland said we're here, but we did not come prepared to answer any questions. We did not come here to represent the Board of Education. We are only here for the meeting. Commissioner Hall said so you can't answer a question about a meeting with the County Manager. Commissioner Hall said I mean with the Board of Commissioners. Mrs. Garland said well I would think that we would be in agreement to have a meeting, but I can't speak as to what time that means. I can get back with the Chair and let the Chair know that you would like a meeting with the Board. Commissioner Hall said okay from my perspective, let the Chair know also that whether or not we have a meeting can impact

our decision on the amount requested from the school. Commissioner Hall said I mean this is imperative. Mrs. Garland said I can relay that to him, and he can get back with you as soon as possible.

Commissioner Oestreicher said to Commissioner Massengill's question on actuals, can you give us a fifty-foot view on where it looks like we will be compared to the budget. The County Manager said we will have that information to you for you on Thursday. Chairman McVey said the main thing today was to get this in our hands so we can all go over it.

RECESS / ADJOURNMENT:

A **motion** was made at 2:29 pm by Commissioner Jefferies and seconded by Commissioner Owen and **carried unanimously** to adjourn the meeting. (Commissioners Hall, Jefferies, Owen, Oestreicher, Massengill, and McVey voted for the motion)

Carla R. Smith
Clerk to the Board

Rick McVey
Chairman