

# **CASWELL COUNTY BOARD OF COMMISSIONERS**

## **Budget Work Session**

**May 28, 2025**

### **MEMBERS PRESENT**

Tim Yarbrough, Chair  
Frank Rose, Vice Chair  
Finch Holt  
Greg Ingram  
Tony Smith  
Brian Totten

### **OTHERS PRESENT**

Scott Whitaker, County Manager  
Melissa Williamson, Deputy County Mgr.  
Russell Johnston, County Attorney  
Renee Paschal, Interim County Mgr.

The Board of Commissioners for the County of Caswell, North Carolina met in a Budget Work Session meeting scheduled on Wednesday, May 28, 2025 at 8:00 am at the Gunn Public Library.

#### **Welcome:**

Chairman Yarbrough called the meeting to order. He thanked everyone for coming out and called for Interim Manager Renee Paschal to introduce the items.

Ms. Paschal explained the budget process she used for the work session. She highlighted every department and explained over/underspending for the department. Budget amendments will be completed on June 16 for any department who is overspending and appropriate revenue from fund balance so there will be no audits for 2025. She asked the Board to show consensus for each item presented if there were no questions or concerns. She estimated spending in 2025 and explained the difference between requested and recommended budgeting.

#### **General Fund Summary**

Spending only increased \$12,996. The reason for the recommended property tax increase is due to decreases in revenue.

#### **County-Wide Changes**

Salaries increased 1.5% with the total cost of \$204,495. The vacancy allowance was eliminated except in Finance. Sheriff and EMS departments will exceed their budgets due to vacancies that were handled thru overtime. Only one new County position was requested in the budget in the Tax Department for an appraisal position. Cooperative Extension (State position) was also recommended due to grant funding ending.

Retirement rates increased and will generate a \$110,062 increase in the General Fund. Debt service increased \$331,172 to fund ambulance. Staff recommends using debt to finance the ambulance remount, UHF paging system and 15 leased replacement vehicles for the Sheriff's Department and two vehicles for the Environmental Health Division.

#### **Governing Board**

The budget decreased by \$17,191 based on actual spending. Ms. Paschal stated that she used FY 24 and FY 25 numbers to come up with the numbers. There was consensus for the proposed budget.

**Administration**

There was a \$28,410 reduction in spending. The main reduction is no longer needing a contracted County Manager. There was consensus on this item.

**Finance**

There was an \$86,006 increase. There are several vacant positions in the Finance Office including the Finance Officer. The salary was increased for the Finance Officer to make it more competitive. Contracted services will be reduced by \$91,000.

**Maintenance**

There is a \$292,880 reduction. All the capital projects requested are included in the budget. The budget includes the reclassification of the Maintenance Director. He was promised a salary when hired that he did not receive. The budget also includes \$329,654 for capital improvements/buildings. If something goes wrong with a sewer pump, the staff must hike through the woods to get to the pump. An ATV vehicle is proposed to help reach sewer pumps and a snow plow for snow clearing. A building will be constructed to house the equipment.

Mr. R. D. Hayes, Maintenance Director, explained the dangers staff faces when getting calls late at night. There are 6-8 calls per month that staff must handle for sewer maintenance calls. There are currently no tools or cleaning supplies for staff. The pump is state inspected. Mr. Hayes has researched the best deals for the ATV. Ms. Paschal commended him on doing a good job keeping up the budget and his negotiations.

Ms. Paschal stated that for FY26, items were budgeted in the correct line item instead of everything being put in the capital improvements line. There was consensus.

**Health Department**

Ms. Paschal disclosed that she duplicated the Health department budget but deleted one of them. The budget needs to be increased by \$18,000 to cover utilities for the Health department. There was consensus.

**Pelham Business Park/Welcome Center**

Expenditures increased by \$5300. In the past, Pelham expenses were being coded to Maintenance, and that has been corrected for FY26. There was consensus.

**Court Facilities**

Based on prior year spending, the budget was deemed sufficient by the Clerk of Court. There was a \$160 increase based on actual spending in prior years. There was consensus.

**Central Services**

There was almost \$400,000 in expenditures and \$449,000 increase in "net cost." \$289,000 of that budget was placed in contingency. Ms. Paschal explained that she used contingency as a budget tool. It does not become part of the base budget. There was a \$230,000 increase in insurance and bonds in FY25 that was not budgeted for. She explained the contingency breakdown for each department.

Chair Yarbrough would like to see the \$25,000 countywide contingency for gasoline and strike the \$7,333 contingency amount for EMS. She explained that Soil & Water had \$3,000 in dues and subscriptions for software, but the money had never been paid. Regarding the EV charging station,

there is a contested payment of \$1500. Ms. Williamson explained the process for using the EV charging stations. Ms. Paschal explained that insurance had increased. She suggested that the County take a look at the insurance charges.

Extension agents are State employees. If the State gives a 3 percent raise, there is contingency money to pay the employees.

Juvenile detention was moved to Central Services from the jail budget. The County must pay for minors who go into State facilities. There was consensus on the Central Services budget with the recommended changes.

### **Parks and Recreation**

Expenditures decreased \$28,944 based on better estimates for spending. There was consensus.

### **Presentation by Davenport and Company**

Ty Wellford, Senior Vice President for Davenport and Company shared information as the financial advisor for the County.

Mr. Wellford focused on capital improvement planning. The financial advisor recommended that the County move toward adopting a multi-year capital plan. He gave a perspective of where the County stands. He stated that the County was in a strong financial position. He spoke about the financial policies the County adopted in February. He highlighted projects with Caswell County including the Bartlett Yancy High School project and refinancing of the County's Detention Center.

He discussed the County's credit rating and peer comparative overview. The County no longer has credit ratings because the last public bond was paid off. He noted that the General Fund Balance has grown every year since 2017. The County adopted policies in February 2025 to have a minimum unassigned fund balance of 15 percent and a target of 20 percent. Caswell County rates very well with peer counties.

The surplus comes from the budget process, adopting a balanced budget and outperforming the balance. If the fund balance continues to grow, that is where a capital or strategic project becomes possible.

\$1.5 million in debt service over the next few years will decrease to \$600,000. The Bartlett loan will only be remaining since it is a 30-year loan. Specific school revenues and dedicated revenues on the County side will create a revenue source.

Looking at existing debt, there is 10-year Payout, Debt to Assessed Value and Debt Service to Expenditures. Debt to Assessed Value was outlined as measuring the absolute debt relative to the tax base. The goal is to be no more than 2.5 percent above the tax base. Currently, the County is at .64 percent. Debt service to expenditures looks at the payment of debt service. The policy states that the amount should not exceed 15 percent of the budget. Currently the debt is 4.38 percent. There is capacity to take on debt. The 10-year payout measures what percentage of debt paid off over the next 10 years. Currently the County is at 38 percent. The goal would be to be above 50 percent on a 10-year payout ratio.

Mr. Wellington discussed adopting a Capital Improvement Plan (CIP).

### School Debt Affordability

He shared a model on school debt. The main expense at this time is the USDA loan. For FY26, there is a request for \$1.4 million. Restricted sales tax and lottery funds are revenue sources to fund school capital. There is a shortfall for FY26 in the amount of \$650,000 due to one-time needs of the schools. There is a starting capital reserve balance of \$6.1 million for schools. The fund balance can be used to cover shortfalls if needed. Ms. Paschal reiterated that the funds can only be used for school capital projects. Theoretically, the County had \$14 million in capacity based on a 20-year level payment structure. There would be nothing left for paygo.

### County Debt Affordability

Mr. Wellington spoke about the capital needs of the County including the ambulance remount and UHF system needs that will line up for installment financing. Once the FY24 audit is complete, the County can access funds. The total borrowed would be approximately \$1.5 million. The 10-year repayment structure would allow the payment to coincide with the life of the project.

If all resources were utilized, the County can afford \$8.3 million of capacity. He added that North Carolina was limited in the ways counties can invest funds.

### Capital Improvement Plan Process

Mr. Wellington discussed four stages in the process

Stage 1: Identify available revenue sources

Stage 2: Look at initial requests and prioritize projects

Stage 3: Develop and adopt the CIP for that year along with a 5-year plan

Stage 4: Approve and start again for the next year

### **Social Services**

Revenues declined \$531,794 because of double budgeting revenues and expenses. Expenses declined \$555,083 because of budgeting based on FY25 estimates. \$272,802 less is required from the General Fund.

Ms. Michelle Waddell, Social Services Director stated that there will be some drastic cuts but she is not sure of how much. There were changes in the Foster Care program. She will talk with Ms. Paschal to determine if a budget amendment is needed. There was consensus.

### **Public Health**

Revenue declined \$524,820 because of a \$611,088 reduction in appropriated balance and no longer receiving COVID funds and the Rural Health grant (\$250,000). \$250,000 is required from the General Fund. Better tracking will be put in place in the upcoming budget. The school system is a big expender of the Health Department budget for nurses.

Staff moved everything except telephones into the IT budget so there is a reduction in every department's telecommunication budget and an increase in IT.

\$6000 was budgeted for medical insurance. The revised budget might have errors. There was consensus.

### **Family Services**

Ms. Paschal introduced Teresa Roberts, the new Family Services director. The FY25 revised budget number is not correct. The corrected budget will be provided. The general fund revenues declined



\$196,713 due to no longer receiving COVID funding and a Human Trafficking Grant. Expenditures declined by the same amount. Ms. Williamson explained the challenges the department has faced. There are now three full-time employees and one part time employee instead of the six employees previously. She emphasized that this was a very important program. Being a Tier One county, individuals are reluctant to go to law enforcement authorities to report abuse but will use the Family Services resources. There was additional discussion regarding grants.

Chairman Yarbrough requested that the budget numbers be corrected. There was consensus.

#### **Fleet**

There is a \$1800 increase in expenditures. These are expenses for vehicles not assigned to a specific department. In the past, enterprise maintenance had been coded to debt and has been corrected. Vehicle maintenance was increased in each department to offset that. There was consensus.

#### **Farmer Lake**

There was a \$1800 decrease in revenue. The decrease is due to not building the dock and shed. There was consensus.

#### **Nonprofit Allocations**

The County has funded nonprofits historically. Ms. Paschal stated that the NC Forestry probably should not be considered in this category. She recommended \$115,000 and after an adjusted decrease, the recommended budget was reduced by \$13,700.

The Arts Council requested \$5,000 and that was recommended. This request covers a youth arts camp for youth during the summer.

Ms. Paschal noted that the nonprofit allocation budget should be reviewed. She opined that giving out monies without a contract was illegal. She suggested relooking at the policy once the Finance staff was in place. The Board was concerned about the lack of accountability. She noted that once the allocation was made, the Board cannot direct operating expenses.

The Board discussed having three bids for services. Ms. Paschal will check on the legal authority of the Board. She stated that the Board was responsible for maintaining buildings, but the County does not own the buildings. She recommended that Caswell County ask for a condition assessment before allocating school capital funds.

There are currently no contracts with nonprofits, but Ms. Paschal has drawn up a contract and the attorney has approved it.

Chairman Yarbrough would like to have a representative from the Arts County to come back before the Board in July to answer questions regarding the mural. The Board would like to have a mid-year report on nonprofits. There was consensus.

#### **Debt Service**

Detention debt decreased \$21,530 and will come off in 2027.

Caswell County schools' debt decreased by \$305 and will be on until 2052.

Installment debt increased by \$55,392 to fund the first interest payment of \$1,150,000 for ambulance, ambulance remount and UHF upgrade.

Vehicle lease debt increased by \$176,400 to fund 15 replacement vehicles. The Sheriff requested 25 vehicles. If a car was still in the Sheriff's office, it was slated for a new vehicle.

Manager Whitaker will look at lease options for vehicles instead of departmental purchasing.

If the County chose to go with purchase vs lease for vehicles, Ms. Paschal suggested using the detention debt that would come off in 2027.

### **Interfund Transfers**

Expenditures increased \$160,001 mostly due to not budgeting the transfer to school capital reserve in FY25. The transfer to the library decreased. A portion of the County's sales tax must be shared with the Fire District. There was consensus.

### **911**

Expenditures decreased by \$297,310 because funds are budgeted in capital outlay in debt service fund instead of the departmental budget. The vacancy allowance was eliminated, and part-time salaries were reduced.

The Director explained that it is time to upgrade the UHF system. The current pager system is 18 years old and the life expectancy is 12 years. A new system would improve technology. There will be more power with two increased towers. There is a potential price increase due to tariffs. If a contract is needed, there will only be two Board meetings before the new budget year. Chairman Yarbrough suggested a possible contract to avoid higher prices. Pagers are vital to the County.

The \$500,000 cost to refurbish the UHF system is included in installment debt. It is possible that the project could be grant funded. The time frame for the upgrade is six months. There was consensus.

### **Emergency Management Services**

Revenue decreased by \$17,000. Expenditures decreased by \$7,000 based on FY25 and prior year spending. Miscellaneous revenues have been budgeted but not received.

Mr. Barry Lynch, Emergency Management Coordinator, explained the miscellaneous revenues. He stated that previously there were 11-12 different State projects and get reimbursed for them. A base range of \$20,675 is what was received. Additional projects received \$17,000. In mid-year last year funds were cut. The department is now required to spend money to get money. The money received will be allocated to salaries.

Mr. Lynch shared an overview of the role of Emergency Management including disaster preparedness, mitigation, disaster response. It is a mandated position thru the State. There must be a designated Emergency Management Coordinator. Shelter operations fall under the department. There was consensus.

### **Emergency Medical Services**

Revenues increased by \$499,906 mostly because EMS billing and increased number of trips is generating higher revenue. Expenses increased by \$352,506. \$100,000 of that was due to the elimination of a vacancy allowance. A budget amendment will be needed because EMS is projected

to overspend in their budget this year. \$580,470 was requested for the ambulance remount. A position requested was not recommended in the budget.

Mr. Barry Lynch, Director, stated that the remount is \$220,000. The remount is a 2019 with 320,000 miles. The life expectancy after remount is 5-7 years. The average mileage is 40,000 – 45,000 miles per year per truck. He explained that the existing box will be put on a new cab and chassis. He recommended that vehicles are remounted at 200,000 miles. New ambulances are remounted once and then sold.

Ms. Paschal recommended that a replacement plan be adopted and a new ambulance bought when debt service was paid off in 2027. Those funds can be used as a funding source.

Mr. Lynch stated that he had an estimate of six months for a remount. For a new truck, there is an expectancy of 36 months' wait time. Caswell will get a demo truck and cannot make changes.

Regarding overtime, Ms. Paschal explained that ambulances must be staffed. There are 8 part-time staff. There are currently no paramedic applications. Outsourcing services doubled the revenue collection, and \$1.4 million will likely be collected.

Mr. Lynch informed the Board that a transmission failed on a truck and cost \$12,000 for repair. That exceeded the maintenance budget for the year. There was consensus.

### **Solid Waste**

There was a decrease of \$117,330 in landfill tipping. Expenditures increased \$160,960 due to salary increase and a reclassification for the Solid Waste director. There is a \$81,636 deficit in the capital reserve for not covering depreciation. There should be \$110,000 per year to replace equipment. The County is covering \$7500 to dispose of white goods disposal cost. Once the audit is up to date, the County will receive State revenue to cover.

It is anticipated that there will be a 5 percent increase in tipping fees and trash next year.

Mr. A.J. Fuqua, Director, was present to answer questions. The Solid Waste Ordinance allows him to write fines and issue tickets for residents who have too much trash and abandoned cars. He will bring the Ordinance back to the Board in August. The County owns all dumpsters and equipment. First Piedmont owns the front loaders. Chair Yarbrough asked how First Piedmont charged. Mr. Fuqua responded that the County was charged per haul, per ton. The fuel is a percentage of the haul. Currently the fuel charge breaks even. He stated that a certified tire hauler in North Carolina can use his facility. The number of tires have increased because there are some issues at Rockingham landfill and a junk tire collector is cleaning up his facility. Caswell County becomes the recipient of the tires.

The Solid Waste fund has been in a deficit for the past three years. The previous Board repeatedly lowered fees and appropriated fund balance. There was a low of \$44 and is now \$120. The current fee is only paid by residents who don't live in Caswell County and have no private hauler. The fee needs to be increased to get Solid Waste out of the deficit. The fee needs to be raised to \$160. The recommended option is to charge those with an alternative (proven) collection method an availability fee of \$65/year. Residents who live out of town will continue to pay \$125 (\$65 convenience fee + \$60 disposal facility use fee). Everyone else will pay \$65/year if they have a dumpster or curbside collection. This will require an amendment to the Solid Waste Ordinance.

Chairman Yarbrough questioned how residents with multiple properties and had access to a dumpster would be affected. Mr. Fuqua responded that the \$65 is per house. Only one person would be able to receive the tax credit. There will be no exemptions with the new policy, everyone will pay something. If there is no occupancy for a certain time, there will not be a charge.

Manager Whitaker spoke about a concern from the Town of Yanceyville regarding an increase in fees for Town residents. Ms. Paschal added that the availability fee includes the cost to operate the solid waste centers.

Chairman Yarbrough asked about a cost analysis for having regional sites vs. collection. There would be four proposed locations that would be county run. A variable would be whether the land was purchased or leased for the proposed sites. County run facilities would have a sticker system for residents.

Town residents will contribute approximately \$20,000 under the proposed fee schedule. The Town residents could get a discount on Town trash that was brought to the landfill. Under the \$125 fee, there is \$1,157,000 in revenues. Mr. Fuqua will speak with the Mayor and put a recycling bin in a central location for access when the solid waste facility is closed if the Board decides to charge Town residents.

Mr. Fuqua offered options for the Town to not increase fees. He will get the recommended fee.

Ms. Paschal stated that there are 12,372 residents and businesses in the County. Only 9,000 are charged at this point. Chairman Yarbrough asked if everyone was charged the same, what it would be. Ms. Paschal responded \$160.

The Board recessed for lunch and reconvened at 1:00.

### **Caswell Area Transit (CATS)**

Ms. Paschal shared a corrected copy of CATs budget. Four vans are being replaced and that is 90 percent funded by the State. The County's cost is \$494,000 and the revenue received is \$444,000. There are also other small purchases including computers and furniture. Ms. Williamson added that tablets will be put on buses which will allow drivers to plug in mileage and time. This will increase efficiency. The reclassification of two positions in CATS is also recommended. There was consensus.

### **Planning Department**

Expenditures increased approximately \$43,000 due to the recommendation of a Land Use Plan at a cost of \$48,000. The County will contract with PTRC for the Land Use Plan.

The process involves community involvement and may take 6-8 months to complete. It would provide a plan for the future. Chairman Yarbrough asked how often the plan should be updated. Mr. Jason Watlington, Planning Director indicated 8-10 years is a good mark. There was consensus.

### **Inspections**

There is a \$910 increase in expenditures. There is \$1456 budgeted in contingency for level advancement of inspector. Shannon Petry, Inspections Director will bring new State regulations and fee schedules to the Board at a later date. Fire inspections may generate substantial revenue, but there is no set plan for the new rules at this time. Software upgrades are included in the budget to handle fire inspections. Revenue is projected to increase with new residential development and projected commercial development. There was consensus.



## **Special Revenue Funds**

### Register of Deeds

Funds are restricted by state law for automation of Register of Deeds records. \$8000 is what is projected for ROD to bring in.

### Occupancy Tax

This is funded entirely by the 3 cents occupancy tax that is assessed on lodging. The budget includes a \$2700 administrative fee to be paid to the General Fund.

### Fire Districts

There is a decline in property tax revenue, likely because of lack of good information when the budget was prepared last year. Less is budgeted in property tax revenue for FY 26. Sales tax continues to increase so there will be some offset. Ms. Paschal noted that monies are owed to the Fire Departments in the amount of \$225,000 – \$30,000 for rescue operation payments not made in FY23 and \$195,000 from sales tax in FY22. The payments will be made once the audit is reconciled. The sales tax will be divided between all of the fire departments.

### Opioid Settlement

There will be approximately \$2 million collected over the next 18 years. The budget is based on the recommendations presented to the Board on April 7<sup>th</sup>. \$607,844 has already been collected. This year's budget will be \$241,682. Ms. Williamson said it will always be possible to make changes if the recommendations are not working. A report will be submitted in September. The Opioid funds will be moved to a trust account where it will earn interest. Ms. Williamson stated that interest must go back and cannot be used.

### Revaluation Fund

The fund is state mandated. The County should set aside \$70,000/year to pay for the FY2029 revaluation.

### Public Safety Answering Point (911)

The allocation has been reduced because of excess fund balance. \$204,000 was from fund balance. Prior to the audits, the County received \$100,000. Because of the Board's action to make the PSAP fund whole as well as capital projects, next year there should be a normal amount of PSAP funds received.

### Mini Grants

Community paramedic is the only mini grant. It pays a 5 percent administrative fee which has not been budgeted in the General Fund.

### American Rescue Plan (ARPA)

All funds have been spent with the exception of a \$20,000 grant from Piedmont Electric for broadband match. Piedmont wants to use the funds strictly for broadband.

### Other

Most of the funds will be budgeted mid-year when revenues are known. Cooperative Extension and Social Services will be budgeted prior to mid-year.

## **Capital Reserves**

### Caswell County Schools

The transfer represents the balance of restricted sales tax beyond what is required in the General Fund. The balance should be part of a discussion on a capital improvement plan for the school system.

## **Agency/Trust Funds**

Ms. Paschal described agency funds as holding money for other governmental units in a trust until they are paid out. Trust funds are for inmates. There are no general fund dollars associated with these funds.

## **Revenues: Property Taxes**

Ms. Paschal stated that a 3-cent tax increase was proposed to cover the deficit in revenue. The tax will generate \$723,000.

## **Revenues: Proposed Fee Increases**

EMS needs to keep up with Medicare reimbursement rates. Parks & Rec fee increases will offset increased costs. Public Health increases rates every year to keep up with the Medicaid reimbursement rates. Solid Waste fee increases include tonnage rate, out-of-county rates. The tipping fee for brush, construction debris, scrap metal fees are also proposed to be increased.

### Sheriff's Office

There was a decrease in revenues in the amount of \$95,130. The County will no longer receive a GCC grant from the Town of Yanceyville. Expenditures increased \$490,252. There has been an increase in motor fuel. There is a comprehensive training plan and \$240,000 to uplift 15 replacement vehicles. A requested DEA position was not recommended. Ms. Paschal described the training plan. There was consensus.

### Detention Center

There was a substantial decrease in revenue due to fees for housing state and federal inmates. Expenditures increased \$111,667 which includes inmate medical care; inmate food because of a contractual increase and feeding more inmates; and maintenance and repair of equipment. Juvenile expenses were moved out of the Detention Center budget.

### School Resource Officers

Expenditures increased for salaries and overtime as well as 401k. All operating expense were moved to the Sheriff's Office. Overtime includes afterschool activities and the library.

### Juvenile Crime Prevention Council (JCPC)

Revenue increased \$67,683. The State provides funding but contracts with agencies to help at risk youth. Counties are required to contribute 10 percent of expenditures. There was no increase in expenditures. Over 50 youth have been served this year.

### JCPC – Roots & Wings

Expenditures increased \$4,731. It is a nonprofit organization from Person County that offers life skills. Line-item budgeting will not be continued because the agency is a nonprofit.

### JCPC – Community Youth Services

Expenditures declined \$7,699 based on funding approved by JCPC.

#### Tax Office

There is an \$80,000 reduction in the Tax Office. The department will receive a new full-time appraiser and have GIS experience. The part time position will be eliminated. There was consensus.

#### Board of Elections

Line-item cuts were made and \$50,272 was budgeted in contingency for a second primary. Line-item reductions were based on similar elections. The budget includes four (4) portable toilets for each election except municipal. There was discussion regarding the use of restrooms past the designated line. Ms. Paschal stated that it would be an \$800 saving to delete the portable toilets. The consensus of the Board was to delete the portable toilets. They recommended a different setup for voting machines that would allow voters to use restrooms.

#### Register of Deeds

There was a \$12,778 reduction in "net cost." Ms. Pascal stated that the department more than pays for itself. There was consensus.

#### Solid Waste Fee

Chairman Yarbrough recalled the discussion regarding fees. All residents would be charged an availability fee of \$65. If the hauler picks up trash, there would be a reduction.

The cost covers everything except the collection center. The \$65 would be applied to Town residents as County residents because of the access to the collection center. Board members gave consensus for the \$65 fee. A letter should be sent to the Town explaining the new fee.

#### Animal Control & Shelter

Expenditures increased \$222,082. The shelter contract (\$225,000) was moved from nonprofit funding to contracted service in the upcoming budget. Michelle is the Shelter Manager and Kim is the Board member and attorney. Chairman Yarbrough asked if the County was obligated to fund if there was not a signed contract by July. Ms. Paschal stated that the service was placed in Animal Control's budget and would not be paid if there was no service. Negotiations have stalled with the Shelter. There is an issue that the Shelter is often over capacity, but Animal Control must follow the Ordinance. Often APS wants animals returned to owners and not euthanized. Chairman Yarbrough asked if the request would take care of APS's capital needs. Ms. Paschal responded that it was for operations. Ms. Paschal stated that APS was paid \$174,000 over the past year. Donations were sent to the County when Helene occurred. Chairman Yarbrough stated that the APS must do their part. There may be five dogs euthanized yearly. There was consensus. It was recommended to include certain sites to house the dogs.

#### **Cooperative Extension**

The expenditures increased \$5,747 but it includes the Digital Agent which had been grant fund. The Digital Agent works with seniors and high schools and libraries on technology issues. If a grant is obtained for the Digital Agent, there will be additional training. Contingency includes \$16,844 for state salary increases for extension employees plus an increase for one agent. There was consensus.

#### **Caswell Soil & Water District**

The budget will be increased to restore benefits for a part-time position. The \$3,000 payment to the federal government is in the contingency line item. There was consensus.

#### **Section 8 Housing Authority**

Staff recommends that \$7,145 be appropriated in fund balance to balance the budget COLA increase caused by the need for offsetting reductions in operating lines. The Housing Authority is entirely funded by Section 8 funding from the Federal government. There was consensus.

#### **Senior Center**

Revenue declined \$125,048 due to reductions in the federal block grant for senior programs. The net cost for the Senior Center increased by \$122,555. Allocations have not been received at this time. Sponsorships have been coming in to assist with the Meals on Wheels program. There was consensus.

#### **Senior – SHIP**

This program is funded by the state and provides health education for Medicare. There is no County money involved.

#### **Pelham Water/Sewer Fees**

Danville charges Caswell \$2.55/100 cubic feet of water and Caswell charges Pelham businesses a \$10 minimum fee for water plus \$3.10/1,000 gallons over 2,000 gallons. Caswell made \$3.18 on water charges per customer. There are very low water users.

Caswell does not charge for sewer. In FY24, Caswell spent \$36,342 and collected \$1,397 in revenues. The Welcome Center is currently getting free sewer. That will be rectified. Caswell is spending approximately \$25,000 in capacity charges to Danville. If you back out the \$25,000, \$11,000 per year is being lost on selling water and sewer in Pelham. This does not consider Maintenance's time to maintain the system, Finance for billing, or future maintenance to the system.

Caswell will need to establish tap fees for CEAD and Cherokee Tobacco. She will present a proposed solution on June 16<sup>th</sup>.

#### **Information Technology**

There is a substantial increase in the budget (\$101,181). A \$117,140 increase in telecommunication to centralize management of internet and phone systems (offsetting reduction in other departments). This will improve efficiency and eliminate redundancy. There is a \$26,316 reduction in professional services, offset by \$15,000 in contingency for unforeseen needs. There is a \$26,588 reduction in software licenses based on FY25 estimated spending. There was consensus.

#### **Public Library**

Expenditures increased \$24,060. Revenues increased by the same amount. \$5,567 less is required from the General Fund. There are seven full-time and two part-time employees. There was consensus.

#### **Caswell County Schools**

The schools requested a 39 percent increase (\$1,089,819) for FY26 in current expenses. In capital outlay, there is a 140 percent increase (\$651,300); a teacher supplement is requested in the amount of \$443,718. The schools gave a reduced option of \$1500 or \$2000. Overall, there is a 67 percent increase in the request from FY25. Ms. Paschal stated that part of the reason for the increase is the schools no longer appropriate a fund balance. There are some funding sources for capital outlay, and if you take out capital outlay, the request will take 7.2 cents on property tax to fund. Ms. Paschal stated that she did not have figures to put into the draft budget when it was prepared.

Chairman Yarbrough asked the school representatives to clarify that their appropriated fund balance of all available funds was approximately \$700,000. A representative responded that \$600,000 is what



is left when you take away what is appropriated this fiscal year. Other funds include the capital outlay fund balance when you take away what is appropriated for this year at \$200,000. Ms. Paschal commented that just because that amount is appropriated does not mean it's the amount that is spent.

Capital Outlay – The requested increase is \$651,300 for a total of \$1,116,300. Superintendent Stokes addressed the capital projects. HVAC is a major problem. He stated there were two buildings that were more than 30 years old. Oakwood is the next oldest building. North and South have similar issues with chillers. Chillers cost more than \$5,000 each and each school is in need. He projected \$800,000 would be needed for HVAC work. Some of the buildings need roofs. The most pressing is North Elementary, but there are three in need. Downspouts are built in the wall. The gutters fill up with water and leak back into the walls. All drains will have to be cleaned out due to the hard rains. At Dillard, the drains are inside. The maintenance representative stated that there are some unknowns. The Board will visit schools to better understand the problems. There are several issues with gutters.

Chairman Yarbrough asked about the oven at North. Superintendent Stokes stated that they were old, but they worked.

Commissioner Smith asked if there had been any complaints about roof leaks at the high school. The maintenance representative acknowledged there were leaks and is working to repair. The Board expressed concern about a new school with a leaking roof.

Superintendent Stokes was asked about the \$465,000 that was allocated last year in capital outlay. There has been \$693,000 spent as of May 20<sup>th</sup>. The items were described in the school's budget including school safety upgrades. Software, cameras, and electrical gates were included in the upgrades.

Chairman Yarbrough expressed concern about the \$1,116,300 request. Superintendent Stokes stated that the amount would prevent needing a larger amount. The chiller at South has been rebuilt. Only one chiller is currently operating. South, Dillard and North are the main schools with critical chiller issues.

Commissioner Smith asked about long-range plans for Stoney Creek. Superintendent Stokes said that discussions were taking place with the school board regarding the school and it was in a growing part of the county. The goal is not to close the school. Ms. Paschal stated that NC State could help with projections. She stated that there may be something more comprehensive for capital outlay. It will be further discussed on June 2<sup>nd</sup>.

Teacher Supplement - Superintendent Stokes requested a flat rate \$2000 for every certified teacher (166 teachers). He spoke about losing teachers and staff to surrounding counties. Chairman Yarbrough commented that he could not justify giving a larger increase to the school system than to Caswell County employees. The State provided an increase to less seasoned teachers at 5 percent and as the tenure increased, the percentage was smaller. A 25-year teacher only received a few hundred dollars.

Current Expenses – The request for a \$1,089,819 increase is for operations. Current expenses pay for insurance, utilities, and about 10 local employee salaries and benefits. Property insurance is increasing 13 percent. It was confirmed that money follows the child to charter schools and does not return to the public school if the child comes back. State funds are reduced. Home schools do not receive County funding.

Superintendent Stokes clarified that the local employees referenced were mainly IT employees. He explained that there were many pay scales for schools in North Carolina. A local supplement may be added to the pay.

The item will be continued on Monday, June 2<sup>nd</sup>.

Piedmont Community College

Operating expenditures increased \$12,310. Capital expenditures decreased \$65,000. There was an overall decrease in their request. There was consensus.

Economic Development

The amounts were based on prior year spending. There was a \$2,393 decrease due to converting a full-time position to a contractor. This includes \$50,000 for contract economic developer and \$21,850 for the Pelham Site due diligence. There was consensus.

Economic Development - CoSquare

The budget includes \$10,000 in rental fee revenue. Expenses decreased \$22,716 based on historic spending. The cost to the County decreased by \$24,000. Commissioner Smith asked Ms. Paschal how funds were collected? She responded that some people pay in person or mail the rent payment, and money is drawn down from debit card payments. She noted that membership has declined since the accident. There is a need for high-speed internet but there are other things that can be done to increase membership. Ms. Paschal stated that the Health Department pays \$2,000 per month. If the County begins to charge for rentals, CoSquare will more than pay for itself. There was consensus.

Coroner

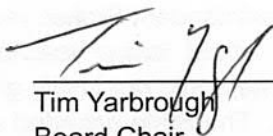
There is a \$6,500 decrease in expenditures based on FY25 estimates. \$2,000 has been budgeted in contingency. There was consensus.

Mental Health Services

The County is required to pay the same amount under State law. There is no increase. There was consensus.

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Respectfully submitted by Michelle Parker (*external Clerk contracted to prepare minutes on behalf of Caswell*)

  
K. Scott Whitaker  
Clerk to the Board

  
Tim Yarbrough  
Board Chair