

May 31, 2023

The Martin County Board of Commissioners met in a Special Session for the Presentation of the FY 2023-2024 Budget, on Wednesday, May 31, 2023, at 6:00 p.m. in the Commissioners' Board Room of the Martin County Governmental Center, 305 East Main Street, Williamston, North Carolina.

ASSEMBLY

Present in the Boardroom: Chairman Ronnie Smith, Vice Chairman Dempsey Bond, Jr., Commissioner Joe R. Ayers, Commissioner Emily Biggs, Commissioner David "Skip" Gurganus, County Manager U. James Bennett, Clerk to the Board Julia S. Rease, and Finance Officer Cindy Ange.

Chairman Smith called the meeting to order at 6:00 p.m. Commissioner Biggs led the Pledge of Allegiance. And Chairman Smith provided the invocation.

Commissioner Smith recessed the meeting until 7:00 p.m.

Commissioner Smith called the meeting back to order at 7:00 p.m.

AGENDA APPROVAL

Vice Chairman made the **Motion** to Approve the agenda, with a **Second** by Chairman Smith. Motion was **Carried** unanimously.

APPLICATION FOR PUBLIC SCHOOL BUILDING CAPITAL FUND

Finance Officer Cindy Ange presented an application from Riverside Middle School regarding the Public School Building Capital Fund. Finance Officer Ange stated \$285,000 was requested from the Capital Lottery Fund to pay a portion of the debt payment for Riverside Middle School. This was reportedly an annual payment.

Chairman Smith asked if the \$285,000 was the payment for this year and Finance Officer Ange agreed. Chairman Smith asked if there were 7-8 years left to make payments on the debt. Finance Officer Ange reported that it was a 15 year loan, but there was less than 7 years remaining.

Commissioner Biggs made the **Motion** to Approve of the Public School Building Capital Fund with a **Second** by Vice Chairman Bond Jr. The motion was **Carried** unanimously.

BUDGET AMEDNMENT(s)

Budget Amendment #30

Finance Officer Ange stated that GASB 87, which was required to be implemented last fiscal year, required the County to account for leases of equipment such as copiers in much the same manner as purchasing the equipment. In the fiscal year the equipment was leased an entry to record and

the asset was made at the value of the asset as of the time the lease was entered into. This was a non-cash transaction, however, a budget was required for the transaction. The County entered into 3 leases this year for copiers and a postage machine. GASB 96, which was required to be implemented this fiscal year, required the County to account for subscriptions to software programs such as the MUNIS software used by finance, tax, and water in much the same manner as purchasing the software as a capital asset. This was a non-cash transaction, however, a budget is required for the transaction.

BUDGET ORDINANCE AMENDMENT-30

BE IT ORDAINED by the Board of Commissioners of Martin County, North Carolina, that the following amendments be made to the annual budget ordinance for the fiscal year ending June 30, 2023.

Section 1. To amend the General Fund, the expenditures are to be changed as follows.

	Increase	Decrease
General Government		
Finance	\$ 27,000	
Data Processing	\$ 263,330	
Public Safety		
Sheriff	\$ 6,710	
Human Services		
DSS	\$ 5,020	

This will result in an increase of \$302,060 in the expenditures of the General Fund. To provide an increase in the revenues for the above, the following revenues will be changed.

Lease Financing	\$ 27,430
Subscription Financing	\$ 274,630

Section 2. Copies of this budget amendment shall be furnished to the Clerk to the Governing Board and to the Finance Officer for their direction.

Motion by Commissioner Gurganus and **Seconded** by Commissioners Biggs to adopt the above budget ordinance amendment this 31st day of May 2023. Motion was **Carried** unanimously.

Budget Ordinance #31

The Martin County Airport has been awarded \$38,000 from the NC Division of Aviation for the SPAM Maintenance Project, which includes repaving the runway. There is no County match required for this grant.

BUDGET ORDINANCE AMENDMENT-31

BE IT ORDAINED by the Board of Commissioners of Martin County, North Carolina, that the following amendments be made to the annual budget ordinance for the fiscal year ending June 30, 2023.

Section 1. To amend the Airport Fund, the expenditures are to be changed as follows.

	Increase	Decrease
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Transportation \$38,000

This will result in an increase of \$38,000 in the expenditures of the Airport Fund. To provide an increase in the revenues for the above, the following revenues will be changed.

Intergovernmental Revenue \$38,000

Section 2. Copies of this budget amendment shall be furnished to the Clerk to the Governing Board and to the Finance Officer for their direction.

Motion by Commissioner Gurganus and **Seconded** by Commissioner Biggs to Adopt the above budget ordinance amendment this 31st day of May 2023. Motion was **Carried** unanimously.

Budget Amendments #32, 33, 34

Finance Officer Ange stated that these ordinances were year-end budget amendment and included adjustments to salaries due to bonuses paid in August 2022. There were some departments that could not fit the bonuses into their budget. Finance Officer Ange stated that Budget amendment #32 covered the following:

- *Commissioners* - Increase in Salaries for bonus paid in August, increase travel for conference, and increase in Contracted Services for consultants involved in hospital.
- *County Manager* - Increase in salaries, supplies and travel.
- *Finance* - Increase in salaries.
- *Tax Collector* - Increase in salaries and contracted services.
- *Governmental Center* - Increase in salaries
- *Communications* - Increase in salaries.
- *Sheriff*- Increase in salaries.
- *Emergency Mgmt.* - Increase in salaries and 911 addressing.
- *Landfill* - Increase in salaries, refuse service and bulk waste.
- *VA* -Increase in salaries and telephone.
- *Aging*- Increase in salaries and home delivered meals.
- *Water* - Increase in salaries and contracted services.

BUDGET ORDINANCE AMENDMENT-32

BE IT ORDAINED by the Board of Commissioners of Martin County, North Carolina, that the following amendments be made to the annual budget ordinance for the fiscal year ending June 30, 2023.

Section 1. To amend the General Fund, the expenditures are to be changed as follows.

	Increase	Decrease
General Government	\$130,780	
Public Safety	\$95,770	
Environmental Protection	\$111,020	
Human Services	\$31,870	
Water	\$13,000	

This will result in an increase of \$382,440 in the expenditures of the General Fund. To provide an increase in the revenues for the above, the following revenues will be changed.

Investment Earnings	\$382,440
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Section 2. Copies of this budget amendment shall be furnished to the Clerk to the Governing Board and to the Finance Officer for their direction.

Motion by Commissioner Gurganus and **Seconded** by Commissioner Biggs to adopt budget ordinance amendment this 31st day of May 2023. Motion was **Carried** unanimously.

BUDGET ORDINANCE AMENDMENT-33

BE IT ORDAINED by the Board of Commissioners of Martin County, North Carolina, that the following amendments be made to the annual budget ordinance for the fiscal year ending June 30, 2023.

Section 1. To amend Water District #1, the expenditures are to be changed as follows.

	Increase	Decrease
Water District #1	\$ 8,000	

This will result in an increase of \$8,000 in the expenditures of Water District #1. To provide an increase in the revenues for the above, the following revenues will be changed.

Miscellaneous	\$ 8,000
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Section 2. Copies of this budget amendment shall be furnished to the Clerk to the Governing Board and to the Finance Officer for their direction.

Motion by Commissioner Gurganus and **Seconded** by Commissioner Biggs to adopt budget ordinance amendment this 31st day of May 2023. Motion was **Carried** unanimously.

BUDGET ORDINANCE AMENDMENT-34

BE IT ORDAINED by the Board of Commissioners of Martin County, North Carolina, that the following amendments be made to the annual budget ordinance for the fiscal year ending May 31, 2023.

Section 1. To amend Water District #2, the expenditures are to be changed as follows.

	Increase	Decrease
Water District #2	\$ 5,000	

This will result in an increase of \$5,000 in the expenditures of Water District #2. To provide an increase in the revenues for the above, the following revenues will be changed.

Miscellaneous	\$ 5,000
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Section 2. Copies of this budget amendment shall be furnished to the Clerk to the Governing Board and to the Finance Officer for their direction.

Motion by Commissioner Gurganus and **Seconded** by Commissioner Biggs to adopt budget ordinance amendment this 31st day of May 2023. Motion was **Carried** unanimously.

Budget Amendment #35

Finance Officer Ange reported that Budget Amendment #35 was to adjust the fire district funds to account for additional tax revenue collected.

BUDGET ORDINANCE AMENDMENT-35

BE IT ORDAINED by the Board of Commissioners of Martin County, North Carolina, that the following amendments be made to the annual budget ordinance for the fiscal year ending June 30, 2023.

Section 1. To amend the Fire District Fund, the expenditures are to be changed as follows.

	Increase	Decrease
Public Safety		
Jamesville Fire	\$ 11,500	
Bear Grass Fire	\$ 6,800	
Roanoke Fire	\$ 7,500	
Williamston Fire	\$ 8,850	
Griffins	\$ 2,300	

This will result in an increase of \$36,950 in the expenditures of the Fire District Fund. To provide an increase in revenue for the above, the following revenues will be changed.

Tax	
Ad Valorem Tax	\$36,950

Section 2. Copies of this budget amendment shall be furnished to the Clerk to the Governing Board and to the Finance Officer for their direction.

Motion by Commissioner Gurganus and **Seconded** by Commissioner Biggs to adopt the above budget ordinance amendment this 31st day of May 2023.

FISCAL YEAR 2023-2024 BUDGET PRESENTATION

County Manager U. James Bennett gave a summary and presentation of the FY 2023-2024 Budget with the Budget Message:

“ In closing out Fiscal Year (FY) 2022-203, the Fiscal Year (FY) 2023-2024 Budget has been compiled in this budget message for your consideration. This proposal represents the goals and priorities that you gave direction to during our Budget Retreat. Our Budget Retreat was held on March 14 thru 15, where you heard professional in the fields of Economic Development, Land Use Planning, Rural Development and Grant Management. You then listen patiently as various Departments shared their accomplishments and needs for this coming year. As we emerge from

COVID, a new set opportunities was presented such as Staffing, Material Shortages and Emergency Personnel. Martin County staff has worked hard to align the budget with your proprieties, we were able to boast the following grants:

Airport grants totaling \$1,100,000.00 and Aging at \$275,000.00. Grants awarded to the Sheriff's Office was \$80,000.00, Emergency Management - \$37,000.00, Soil and Conservation - \$200,000.00, Transit - \$296,187.00, and Administration - \$400,000.00. The receipt of grants help in the furtherance of providing core services to our citizens. As you can see, we have been very successful in accumulating a total of \$2,790,187.00 in grants for this fiscal year. While each staff member played an integral part in the overall development of this FY-2022-2023 Budget, I would like to pay a special thanks to the Department Heads in closely monitoring their budgets this fiscal year.

TRENDS

- At our current tax rate of \$0.81 per \$100.00 valuation at 1 cent, equals \$176,830.00 compared to FY – 2021-2022 at \$172,000.00, FY – 2020-2021 at 169,000.00, and FY- 2019-2020 at \$167,000.00.
- Last Tax Increase was in FY -2018-2019 at .79 to .81, FY-2019-2020 at 0%, FY- 2020-2021 at 0%, 2019 – 2020 at 2% , 2018 - 2019 at 0%, and 2017 -2018 at 0%, FY 2021-2022 at 0%, FY-2022-2023 at 0% and FY-2-23-2024 at 0%.
- 401-K increase from 4% to 5%.
- Appropriation from Fund Balance was \$483,369.00 in 2019, added \$338,890.00 to Fund Balance, 2020 - 2021 added \$2,986,692.00 and in 2022 added \$1,525,179.00. No appropriations are expected to be used in 2023.
- Pre-65 Retirees for FY - 2018-2019 at an average of \$269,118.00, 2019 – 2020 at an average of \$244,745.28, 2020 -2021 at an average of \$228,589.92, and an average of 118,861.00 for FY 2022-2023.
- Albemarle Tideland Health insurance FY - 2021-2022 at \$24,732.00
- Awarded Holiday Gifts to Employees
- Employees Holiday Party
- Increase all (5) Rescue Squads contribution by \$35,000.

EXPENDITURES

- 2% COLA increase
- Health Insurance increase from \$231,207.00 to \$319,367.00 (38.1% increase)
- Property Liability increase from \$175,346.00 to \$193,685.00
- Workers Compensation decrease from \$129,305.00 to \$115,201.00 (10.9% decrease)
- Retirement Rate Increase from 12.17% to 12.92 (increase of 6.2%)

REVENUES

- Tax Collection \$14,323,240.00
- Sales Tax Collection at 5,712,774.00
- Motor Vehicle Collection at \$1,892,484.00
- DSS Reimbursement at \$3,364,348.00
- Solid Waste at \$2,250,000.00

INCREASES

- Moratoc Building rental - In County \$400.00 to \$500.00 plus deposit of \$100.00 and additional day at \$400.00. Out of County at 600.00 plus \$200.00 deposit an additional day at \$400.00.
- Barnes Building Rental in County at \$175.00 and \$200.00 for Out of County Renters with a deposit of \$50.00.
- Water and Sewer District - Deposit for water services costs \$150.00, Application fee of \$50.00, Insufficient Funds Fee costs \$35.00, Reconnection Fee (if turned off for nonpayment) \$40.00, Lock Replacement \$10.00.

NEW PERSONNEL

- Register of Deeds Deputy
- Medicaid Expansion

NEW EQUIPMENT

- *Badge ID Machine
- *Outreach Mower
- *Live Stock Pins
- * (8) Lighting in Moratoc
- * (1) HVAC at Moratoc
- * (7) Patrol Cars for Sheriff's Office
- * (1) Viper Radio's
- * (20) Car mounted Radio's
- * (1) Car purchase between District I and District II
- * 80,000 Sq. Ft. Pad for the Industrial Park

Statutory Requirements

North Carolina General Statute § 159-11 (b) requires the County Manager to submit a proposed budget and budget message to the governing body by June 1st of each year. On the same day that the budget is presented to the governing body, the budget officer shall file a copy of it in the office of the clerk for public inspection and schedule a public hearing. This public hearing has been scheduled for the regularly-scheduled Board of Commissioners Meeting on June 14, 2023 at 7:00 p.m.

The governing body must adopt the annual budget ordinance by July 1st [North Carolina General Statute 159-13(a)]. However, North Carolina General Statute § 159-16 directs that if the budget ordinance is not adopted by July 1st, the governing body must adopt "interim appropriations for the purpose of paying salaries, debt service payments, and the usual ordinary expenses" of the

county until the ordinance is adopted. North Carolina General Statute § 159-13 specifies that no earlier than 10 days after the budget is presented to the governing body and not later than July 1st, the governing body shall adopt a budget ordinance. Otherwise, the Board of Commissioners may adopt an interim budget ordinance to be effective from July 1st to August 1st.

Budget Includes the General Fund, Enterprise Funds and Other Funds

The County budget is composed of revenues and expenditures for several funds, including the General Fund, the Water District (Enterprise) Funds and Other Funds. The General Fund accounts for resources traditionally associated with government that are not required legally or by sound financial management to be accounted for in other funds. Enterprise funds consist of a grouping of activities whose expenditures are wholly or partially offset by revenues collected from consumers in form of fees and charges. Enterprise funds are traditionally run more "like a business".

Revaluation

North Carolina General Statute § 105-274 states all real and personal property located within its jurisdiction shall be subject to taxation unless it is otherwise exempted or excluded from taxation by law. North Carolina General Statute § 105-286 requires each county to conduct a General Reappraisal of all real property at least once every eight years. Martin County's most recent revaluation was concluded as of Jan. 1, 2017. The next revaluation should be completed by January 1, 2025. The primary purpose of any revaluation program is to provide equalization among all property owners, as well as among all classes of property.

Since property taxes are based on value, it is important to have all property valued periodically on a uniform basis, using a modern system of valuation. Property values change with time. Some values go up, some go down, and others remain static. Appraisals must be updated, or inequities in tax distribution will result.

Reappraisals cover all residential and commercial land and structures, which includes homes, apartments, condominiums, office buildings, stores and warehouses. Reappraisals do not include what is classified as individual personal property, such as vehicles, boats, airplanes, and business equipment. These property types are valued annually.

North Carolina General Statute § 105-283 requires appraisals to be made of each property's "true value in money" or "fair market value", which is the most probable price a property would bring in a competitive and open market. Property values for a reappraisal are determined by comparing what similar properties are selling for, what it would cost to replace one's property, the potential income or highest and best use of one's property, as well as many other factors that may affect value.

During the revaluation, professional appraisers analyze data by reviewing of properties and establish the estimated fair market value (i.e., the price a willing seller would receive from a willing buyer). Martin County next Revaluation is scheduled for January 1st of 2025.

Use of Savings

The county's savings consists of the Fund Balance from the General Fund, as well as the Hospital Fund. The state requires a minimum of 8% in the Fund Balance for cash flow purposes. The 8% Fund Balance requirement is the minimum amount needed for cash flow.

Martin County's main source of revenue is the property tax, which is mostly collected between November, and January. The county needs its cash reserves to pay for bills in July, August, September, and October. Additionally, the county needs to maintain a certain amount of reserves for unforeseen events such as hurricanes.

A fund balance Policy was established on April 10, 2013 and is intended to address the needs of Martin County in the event of an unanticipated and unavoidable occurrences which could adversely affect the financial condition of the county. This policy ensures that county maintains adequate fund balance and reserves in the county general fund balance to provide sufficient cash flow for daily needs, provide funds for unforeseen expenditures, and offset significant economic downturns or revenue shortfalls. The Board of Commissioners adopted a policy/ goal of maintaining a fund balance of 20%. As of June 30th, 2021 the Martin County Available Fund Balance (according to the LGC definition, not the CAFR) was approximately \$12,465,195 million (or about 38.89%). According to the CAFR definition of "Available Fund Balance", The Available Fund Balance as June 30th, 2022 of \$12,465,195 or 39%. Martin County has approximately Total Fund Balance of \$11 million (or about 34.84%). The following is the historical trend for the county's total General Fund:

BOARD OF EDUCATION

Martin County Board of Education is recommended at \$653,000.00 for FY 2023-2024 in Capital Outlay. This is an increase of \$153,000.00 over FY-2022-2023 budget.

MARTIN COMMUNITY COLLEGE

It is recommended for \$1,077,112.00 in Current Expenses for FY 2023-2024 in Capital Outlay (total \$1,137,012.00).

BERTIE MARTIN REGIONAL JAIL (1,371,486.00) will be maintained in FY 2023-2024.

YOUTH DETENTION (\$25,000.00)

DRUG RECOVERY COURT

Is recommended for \$10,000.00 which is included in the FY-2023-2024 budget for the Drug Recovery Court Initiative.

HEALTH DEPARTMENT

Martin-Tyrrell-Washington District Health is recommended funding of \$416,606.00

MENTAL HEALTH is recommended at \$85,194.00 for Trillium Health Resources.

LIBRARY

The Beaufort – Hyde - Martin (BHM) Regional Library requested maintenance of the current funding of \$109,042.00

Historical Trend for the County's Total General Fund-Fund Balance

Year	Total
2022	\$16,555,104
2021	\$14,836,484
2020	\$11,849,729
2019	\$11,510,902
2018	\$11,994,271
2017	\$11,972,890
2016	\$12,033,819
2015	\$10,599,984
2014	\$8,648,701
2013	\$6,694,544
2012	\$7,441,804
2011	\$8,892,145
2010	\$9,353,041
2009	\$10,087,99

Fund Balance Appropriation, FY 2019-2020 at \$1,271,000.00, FY 2020-2021 at 0 and FY 2022-2023 at 0. Our Fund Balance grew from 26% to 30% this last Fiscal Year.

Hospital Fund

The Hospital Fund consists lease payments in advance for a 30- year ease, which was entered into in 1998. 1130th of these funds are considered "earned" for each year of actual use of the hospital building. Accounting principles dictate that the county should not spend lease payments until they are \$11.8 million. The earned revenue in the Hospital Fund as of June 2020 was about \$8,289,726 million. This also represents the third fiscal Year, we didn't appropriate and fund balance from the Hospital Fund.

Historical Trend for the Hospital Fund and Earned Available Balance

Year	Total	Earned Available
2022	\$11,831,387	\$8,289,726
2021	\$11,824,522	\$7,716,194
2020	\$12,819,154	\$8,144,159
2019	\$12,729,912	\$7,488,250
2018	\$13,546,770	\$6,036,802
2017	\$ 12,411,798	\$7,137,336

Hospital Funds Appropriation for FY 2019-2020 at \$1,566,667.00, FY 2020-2021 at \$1,566,677.00 actually using \$1,000,000.00, FY 2021-2022 at 0 and in FY 2022-2023 at) \$0.

This document serves as notice that the budget for FY 2023-2024 is complete. The budget for FY 2023-2024 was balanced with a total of \$35,084,493.00. This is an increase of \$747,451.00 from the budget of the previous year. This budget illustrates a capacity to offer essential services for Martin County Citizens without a tax increase while boosting the Fund Balance of over \$2,986,755.00. Furthermore, we have been able to plan for projects that will concede to lasting

development and assist with enhancing the quality of life for our citizens without imposing tax increases. During this past fiscal year, we have been able to acquire over \$1,951,187.00 in grants.

Given the state of our budget for FY 2023-2024, you can see that there are numerous new and positive events occurring in Martin County that will help trigger renewal of our county in multiple sectors with economic development being one. Such work is often met with obstacles along the way however, given our financial position we are poised to be in position to meet those opportunities. Many of these successes are made feasible as a result of the leadership of the Martin County Board of Commissioners and Staff for their continued willingness to go over and beyond in providing services.

As your County Manager, thank you for your diligence bestowed in our staff. As we continue improving the lives of our citizens here in Martin County. I would like to offer a special thanks to Ms. Cindy Ange and the Finance department for their assistance in this presentation of FY-2022-2024 Budget.”

Comments and Questions

Chairman Smith stated that he was appreciative of the way the budget message was made with the historical trends, comparisons, and that it was easy to understand.

Commissioner Gurganus stated that he requested a listing of the ESR funding commitments from the Board of Education. Commissioner Gurganus stated that he did not receive the listing and asked if it was known as to what the funding was used for. Manager Bennett and Finance Officer Ange stated that they did not have the listing. Manager Bennett stated that he would ask for the document, but Commissioner Gurganus declined.

Commissioner Ayers inquired about the new personnel in the Register of Deeds office. Manager Bennett stated that this was correct and the starting salary was \$32,000 and HR Director Zube reported that the starting salary was at \$29,540. Commissioner Ayers stated that the Register of Deeds Officer needed this position for a while.

Manager Bennett was discussing a new cell phone for HR Director Donna Zube and Commissioner Ayers inquired about this. Manager Bennett stated that HR Director Zube was using her personal phone for business when she was working out of normal working hours. Commissioner Ayers asked HR Director Zube how she felt about this. HR Director Zube stated that she agreed with the idea as well, especially for emergencies and confidentiality.

Chairman Smith asked if the \$7,000 insurance and bonding for the Moratoc Park building was for the individuals renting the building. Manager Bennett stated that the insurance and bonding was for the building itself and Finance Officer Ange reported that this was the only building the County had flood insurance on.

Commissioner Ayers stated that there was a lot of discussion regarding purchasing Quick Response Vehicles for Emergency Services. Commissioner Ayers then asked if this was mentioned. Manager Bennett stated that Sheriff Tim Manning went to a conference and was able

to get a proposal of \$800,000 worth of financial support for the Quick Response Vehicles. The vehicles could be purchased, but additional funding was needed to staff them. Manager Bennett added that these vehicles would be purchased over time to prevent a financial hit on County funds. 143,000 was needed for one of these vehicles (\$64,000 for a 2500 4 door Dodge Truck, \$4,300 for a defibrillator, and \$10,000 for medicine to go onto the truck). Commissioner Gurganus asked if these monies were referring to a Rescue Squad or a Quick Response Vehicle. Manager Bennett responded that he was talking about the Quick Response Vehicle. Commissioner Gurganus stated what he thought a QRV was and asked if there were state guidelines to have the defibrillator and medicine on these vehicles. Manager Bennett agreed and responded that Code Enforcement/Emergency Management Director Jody Griffin and Fire Chief of the Town of Williamston Michael Peaks informed him that these items were needed. Commissioner Gurganus stated that he did not know if anyone else besides the Town of Williamston that could administer medications, unless it was like an epi-pen. Manager Bennett responded that he was asked to put a plan together to receive the \$800,000 and followed the suggestion of Code Enforcement/Emergency Management Director Jody Griffin and Fire Chief of the Town of Williamston Michael Peaks. Commissioner Gurganus was concerned that there was a possibility that grant funding could be spent on things that no one was certified to utilize. Commissioner Gurganus stated that he was not disputing the proposal, but he only had concerns.

Vice Chairman Bond Jr. stated that he did not have any complaints or questions. Vice Chairman Bond Jr. was thankful and that the budget was fine.

Commissioner Ayers questioned an increase in the County Manager's Section of the budget. Manager Bennett stated that he did give many increases to employees, but not all. Some increases included the Clerk to the Board and unelected staff that were in the meeting. Manager Bennett stated that he did not give himself an increase. Commissioner Ayers referenced a difference of about \$45,500 between the "Recommended 2022-2023" and "Revised Budget 2022-2023" columns in the budget packet. Manager Bennett stated that he did not receive an increase of that amount. Manager Bennett stated that he did receive an increase on his employment anniversary (\$12-\$14,000) last year. Commissioner Ayers asked for confirmation if Manager Bennett got a raise this year, and Manager Bennett responded that he was to receive the cola increase with everyone else, but this was all. Commissioner Ayers questioned the difference again and Manager Bennett stated that each department had the same difference. Manager Bennett stated that the Finance Department had an employee contemplating quitting and an increase of \$8,000 was given to prevent the crippling of a department. Manager Bennett added that he could discuss increases in other departments as well. Manager Bennett explained that he received his anniversary increase the year before last (2020-2021), which was included in his regular salary. Finance Officer Ange stated that the number showed under "Revised Budget 2022-2023" did not reflect the increase from this year. Commissioner Ayers asked about the total amount of the increases from the previous years. Finance Officer Ange stated that she did not have the total with her. Finance Officer Ange added that the increases for the County Manager and the Clerk to the Board were not reflected in the budget, the budget had not been adjusted, and the recommended budget displayed were both salaries plus the proposed 2% cola increase. A lengthy discussion took place regarding the matter until all questions were satisfied.

Commissioner Biggs commented on the budget stating that she felt it was a really good budget and that she was glad the county was not in the red like some other counties.

Commissioner Gurganus inquired about a conversation regarding the Water debt potentially being forgiven. Manager Bennett agreed stating that George Vital, whom worked with Reginald Speight, had a program that four counties were targeted. There was a criteria that listed what the funding could be used for. One of the reasons was to pay off a debt and Manager Bennett reportedly thought of the \$16.5 million debt from the water plant. The debt was expected to be paid off by the county itself, around year 2050. Manager Bennett stated that the application for this funding assistance was submitted. Manager Bennett stated that the last time he received status about the application, the County was past the first step with more goals to accomplish. The loan would be received from the United States Department of Agriculture and typically these funds could not be refinanced.

Vice Chairman Bond Jr. asked if there was something discussed previously about the debt forgiveness if the County was under the poverty level for 30 years. Manager Bennett stated that the County was eligible for the USDA funding due to the County being a Tier 1 County. Vice Chairman Bond Jr. stated that he thought there were a certain amount of years attached to the loan eligibility criteria. Manager Bennett stated that he did not recall, but the application was submitted.

Finance Officer Ange stated the Water Authority paid close to a million dollars every year for this debt. Commissioner Gurganus asked about the amount of monies being paid from the County towards the water debt. Finance Officer Ange reported that the County paid \$246,000 for Water District #1 and \$286,000 for Water District #2. Finance Officer Ange stated that the costs were included in the Water Authority (MCRWASA) budget. Commissioner Gurganus asked how much the County paid in total for the water debt every year. Finance Officer Ange stated that this amount was not included in the Martin County Budget because it was in the Water Authority Budget. Commissioner Gurganus asked if the water debt was forgiven, how much extra money would the County have. Finance Officer Ange reported that this amount would be \$400,000, but the biggest portion of the water debt was paid by the Town of Williamston.

Commissioner Ayers stated his understanding of where Finance Officer Ange estimated \$400,000 and asked if it was correct. Finance Officer Ange agreed.

Commissioner Gurganus asked about the rate of return on deposits made in the Hospital Fund and Finance Officer Ange reported 5-6%.

Chairman Smith commented that looking at the budget, almost every department head received a raise and asked if this was correct. Manager Bennett stated that this was correct. Chairman Smith added that there were some essential individuals that were not head of a department and needed an increase. Chairman Smith stated Manager Bennett was ready to give out raises and hesitant about getting a raise himself. Chairman Smith proposed/recommend an increase for Manager Bennett salary. Chairman Smith asked Finance Officer Ange how much Manager Bennett was being paid and Finance Officer Ange stated that she did not know at the time. Chairman Smith recommended another meeting and Commissioner Gurganus stated that he needed more time to look at the budget. There was a scheduled public hearing on June 14, 2023, in which the budget would need to be approved. A meeting was scheduled for Monday, June 12, 2023 at 6:00 p.m. to

discuss this matter and to allow more time for Board members to review the budget. Commissioner Gurganus was informed of the proper process for Budget approval and adoption. It was made clear that the Budget would not be adopted /approved without a public hearing and that it would not be approved/adopted on Monday, June 12, 2023 meeting.

Adjournment:

At, 9:45 p.m., Commissioner Biggs made the **Motion** to adjourn the meeting, with a **Second** by Commissioner Ayers. Motion was **Carried** unanimously.

Ronnie Smith, Chairman

Julia S. Rease,
Deputy Clerk to the Board