

May 26, 2022
Special Call Meeting

The Martin County Board of Commissioners met in a Special Call Meeting on Wednesday, May 26, 2022 at 7:00 p.m. in the Superior Courtroom at the Martin County Governmental Center, 305 East Main Street, Williamston, North Carolina.

ASSEMBLY

Present in the Courtroom: Chairman Ronnie Smith, Vice Chair Dempsey Bond Jr., Commissioner David “Skip” Gurganus, County Manager James Bennett, Clerk to the Board Julia Rease, and Finance Officer Cindy Ange. Commissioner Emily Biggs attended the meeting by phone

Absent: Commissioner Joe R. Ayers

Chairman Ronnie Smith called the meeting to order at 6:02 p.m. Vice Chairman Bond Jr. led the Pledge of Allegiance and Commissioner Gurganus provided the invocation.

Chairman Smith extended a welcome to all.

FY 2022-2023 BUDGET PRESENTATION

Martin County Manager Bennett began the Proposed Budget for FY 2021-2022 presentation with a message to the Board of Commissioners:

“As we bring to an end Fiscal Year 2021-2022, Martin County has weathered the storm. This year has been an amazing year. While still in the midst of COVID, we were able to boast the following grants:

Airport grants - \$5,048,731
Soil and Conservation - \$267,000
Administration totaling - \$3,837,000
Sheriff Department - \$122,000
Emergency Management - \$39,000
ARP - \$4,300,000
Transit - \$788,430
Adult & Aging - \$302,041

As you can see, we have been very successful in accumulating a total of \$14,704,202 in Grants this fiscal year. The Proposed Budget FY-2022-2023 is being presented for your perusal and acceptance. This document represents request by the departments and collaboration by the Board. The Martin County Board Retreat was held on March 28-29, 2022 with guest speakers from across the State that covered purposeful topics (Being and Effective Commissioner, Building Relationships, Leadership and Preparing for a Positive Revaluation). All departments presented their objectives for FY – 2022-2023 while listing their past year accomplishments. While each staff member played an integral part in the overall development of this

FY-2022-2023 Budget, I would like 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 valuation at 1 cent, equals \$177,660 compared to FY-2021-2022, at \$172,000. FY- 2020 – 2021, at \$169,000, 2019-2020 equal \$167,000.
- Last Tax Increase was in FY – 2018-2019 at .79 to .81, FY-2019 – 2020 at 0, FY-2020-2021 at 0, FY 2021-2022 at 0, FY- 2022-2023 at 0
- COLA increase 2022- 2023 at 3%, 2021-2022 at 2%, 2020-2021 at 0%, 2019 – 2020 at 2%, 2018 – 2019 at 0%, and 2017 -2018 at 0%
- Appropriation from Fund Balance was \$483,369 in 2019, added \$338,890 to Fund Balance, and in 2021 \$2,986,692 was added and we are expecting not to use any in 2022
- Pre-65 Retirees for FY – 2018-2019 at an average of \$269,118; 2019 – 2020 at an average of \$244,745.28 and 2020 – 2021 at an average of \$228,589.92. average for 2022-2023 \$99,837.09
- Albemarle Tideland Health Insurance FY – 2021-2022 at \$24,732
- Awarded employees (2) \$1,000 Incentive Pay
- Added an additional day for Christmas
- Added Juneteenth as Holiday
- \$20,000 as a match for personnel at the (5) Rescue Squads

EXPENDITURES

- 3% COLA increase
- Health Insurance increase of 5.19%
- Property Liability increase from \$175,346 to \$193,685
- Workers Compensation decrease from \$140,435
- Retirement Rate Increase from 11.43% to 12.17%

REVENUES

- Tax Collection at \$14,390,460
- Sales Tax Collection at 5,194,339
- Motor Vehicle Collection at \$1,844,370
- DSS Reimbursement at \$3,379,695
- Solid Waste at \$2,100,000

INCREASES

- Moratoc Building rental for 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 \$100.00 deposit an additional day at \$400.00
- Barnes Building Rental In County at \$175.00/ Out of County at \$200.00 plus deposit of \$50.00

NEW PERSONNEL

- Human Resource Manager

NEW EQUIPMENT

- 40' x 40' Storage Building*
- (2) HVAC Units*
- IT Software and wiring*
- (3) Patrol Cars for Sheriff Department*

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 8, 2022 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, 2020 the Martin County Available Fund Balance (according to the LGC definition, not the CAFR) was approximately \$8,144.159 million (or about 26.76%). According to the CAFR definition of “Unassigned” Fund Balance, Martin County has approximately \$14, million (or about 30.84). The following is the historical trend for the county’s total General Fund- Fund Balance:

MARTIN COUNTY BOARD OF EDUCATION: Martin County Board of Education is recommended \$6,150,000 for FY-2022-2023 in Current Expense. This is an increase of \$150,000 over FY-2021-2022 budget. The Board of Education is recommended for \$500,000. In Capital Outlay which is the same as last year’s funding.

MARTIN COMMUNITY COLLEGE: Is recommended for \$1,056,002 in Current Expenses and \$60,000 in Capital Outlay (total \$1,116,002.). Last year, Martin County funded \$1,026,250 for Current Expenses and \$60,000 for Capital Outlay (total of \$1,086,250) for MCC.

BERTIE-MARTIN REGIONAL JAIL: (\$1,346,486) will be maintained in FY 2022-2023.

YOUTH DETENTION: \$20,000 was recommended

DRUG RECOVERY COURT: Is recommended for \$10,000 which is included in the FY-2022-2023 budget for the Drug Recovery Court Initiative.

HEALTH DEPARTMENT: Martin-Tyrrell-Washington District Health was recommended funding of \$416,606.

MENTAL HEALTH: was recommended at \$48,462 for Trillium.

LIBRARY: The Beaufort-Hyde-Martin (BHM) Regional Library requested maintenance of the current funding of \$108,024. This represents a \$2,120 increase from the previous budget.

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

Year	Total	Year	Total
2021	\$14,836,484	2014	\$8,648,701
2020	\$11,849,729	2013	\$6,694,544
2019	\$11,510,902	2012	\$7,441,804
2018	\$11,994,271	2011	\$8,892,145
2017	\$11,972,890	2010	\$9,353,041
2016	\$12,033,819	2009	\$10,087,996
2015	\$10,599,984		

Fund Balance Appropriation, FY 2019-2020 at \$1,271,000 , 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 of lease payments in advance for a 30- year lease, which was entered into in 1998. 1/30th 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 \$11.8 million. The earned revenue in the Hospital Fund as of June 2020 was about \$7.716 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
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
2012	\$15,851,383	\$6,643,052
2011	\$16,016,113	\$6,241,115
2010	\$16,048,998	\$5,707,333
2009	\$16,134,334	\$5,226,002

Hospital Funds Appropriation for FY 2019-2020 at \$1,566,667, FY 2020-2021 at \$1,566,677 actually using \$1,000,000 ; FY 2021-2022 at \$0 and in FY 2022-2023 at \$0

Again it gives a great deal of pleasure in presenting this Balance Budget of \$33,397,664. This represents a significant decline of \$910,561 from the previous year. This budget represents an ability to provide core services for Martin County Citizens without a tax increase while increasing the Fund Balance of over \$2,986,755. In addition, we have been able to plan for areas which will allow for continued growth and help improve the quality of life for our citizens without instituting tax increases. During this past fiscal year, we have been able to garner over \$14,704,202 in grants.

As you can tell, there are many new and exciting things happening in Martin County that will help cause revitalization of our county spirit while encouraging future economic development. This is not to say we will not have challenges and opportunities, but we are better position financially to succeed. Many of these events are made possible as a result of the leadership of Martin County Board of Commissioners and Staff for their restlessness in being willing to go over and beyond in providing services.

I would like to offer a special thanks to Ms. Cindy Ange for her assistance in this presentation of FY-2022-2023 Budget.”

All Commissioners’ present expressed appreciation for those involved in the budget preparation and presentation. The Board also made positive comments about the budget and felt the budget was put together very well.

Manager Bennett stated that the fire department wanted to increase their fire taxes from 6% to 7% and this would be discussed as well as approval of the FY 2022-2023 Budget at the next regular Board meeting on June 8, 2022.

ADJOURNMENT

With no further business to discuss, at 7:45 pm, Vice Chairman Bond Jr. made a **Motion** to adjourn and was **Seconded** by Commissioner Gurganus. The Motion was **Carried** unanimously (5-0).

Ronnie Smith, Chairman
Martin County Board of Commissioners

Julia S. Rease, Clerk to the Board