



Fiscal Year 2021 - 2022

Manager Recommended Budget

FY 21-22



Budget Team Members

Jake M. Oakley - County Manager

Shannon Shaver – Assistant County Manager/
Clerk to the Board

Julia Edwards – Finance Director

Lisa Lankford – Assistant Finance Director



Budget Process

The budget process was accomplished by priorities established by the Board of Commissioners with guidance based on the Budget /Goals Session held in the month of March.

Guiding Focus Areas:

1. No property tax rate increase
2. Impact of 2021 Revaluation Assessment Values
3. Promote Economic Development
4. Broadband Expansion
5. Education

After requests were submitted to the budget team, we arrived at a General Fund budget deficit of **\$7.6 million** or the equivalent of **17.15 cent** of property tax rate.



Recommended Budget Overview

- Recommend **no property tax increase**

7th consecutive year with no County property tax increase.(2015 was the first year)

Tax Rates: General County \$0.31, School Current Expense \$0.31, Edu. Fund \$0.04, and All Fire Districts \$0.08.

Total General Fund Budget = \$45,648,626

Total Budget (All Funds) = \$60,360,803

One Penny of the tax rate generates \$441,802 in revenue



Revenues – Ad Valorem.

Ad Valorem Tax represents the largest source of discretionary revenue comprised primarily of four parts:

1. Real property values (3,170,976,360) which increased 13.16% or 368.8 million over last year, driven by the 2021 revaluation as well as normal growth (approximately \$2,434,080 in revenue based on a \$0.66 Tax Rate).
2. Personal property values fell from last year, due to lost of industrial Equipment in two of Stokes County's largest companies (approximate decrease \$22 million in value).
3. Public Utility Values are projected at 95% of the 2020 values based on conversations with NCDOR (approximate decrease \$38 million in value).
4. Motor Vehicle Values to remain constant at \$435.9 million in value).

Total valuation = \$4,521,801,388



2021 Revaluation

- The State of North Carolina mandates each county to conduct a reappraisal of real property at least once every eight years per NCGS 105-286. Stokes County chooses to advance their reappraisal to a four year cycle based upon Stokes County having such a large Public Utility presence. As you are aware, if a counties sales ratio drops below 90% in the fourth or seventh year of a reappraisal cycle, then equalization occurs for the Public Service Companies; thus performing a four year reappraisal eliminates this scenario from occurring.
- The Stokes County 2021 Reappraisal was conducted totally in-house with the exception of one part-time (20 hour per week) employee. This saved the county approximately \$900,000.
- The 2021 Revaluation produced an approximate 336.7 million dollar increase in real property valuations across Stokes County.



ASSESSED VALUE CHANGES BY TOWNSHIPS AND CITIES FOR 2021 REVALUATION

COUNTYWIDE = 13.12%



County Townships

Big Creek =	14.48%
Peter's Creek =	13.19%
Snow Creek =	12.27%
Quaker Gap =	12.51%
Danbury =	12.59%
Beaver Island =	12.34%
Yadkin =	13.63%
Meadows =	12.90%
Sauratown =	11.15%

Municipalities

Danbury =	13.19%
King =	15.28%
Walnut Cove =	11.15%
Countywide =	13.12%



Ad Valorem – Revenue Neutral, NCGS 159.11(e)

In the year in which a general reappraisal of real property has been conducted, the budget officer shall include in the budget, for comparison purposes, a statement of the revenue-neutral property tax rate for the budget. The revenue-neutral property tax rate is the rate that is estimated to produce revenue for the next fiscal year equal to the revenue that would have been produced for the next fiscal year by the current tax rate if no reappraisal had occurred.

Revenue – Neutral Tax Rate on all Taxing Districts with adjustment for growth

- General County = \$0.2968 Tax Rate – (current rate \$0.31)
- Schools = \$0.2968 – (current rate \$0.31)



Ad Valorem – Revenue Neutral, NCGS 159.11(e)

- Forsyth Tech / Education Fund = \$0.0383 – (current rate \$0.04)
- Service Fire District = \$0.0785 – (current rate \$0.08)
- King Fire District = \$0.0735 – (current rate \$0.08)
- Rural Hall Fire District = \$0.0737 – (current rate \$0.08)
- Walnut Cove Fire District = \$0.0748 – (current rate \$0.08)

I do not recommend lowering the tax rate to this revenue-neutral rate, and using the additional revenue for several projects laid out in the budget.



Revenues – Sales Tax

Total Sales Tax = \$7,710,000 which is a increase of \$1,240,000 from the current budget. This is due to the reduction of sales tax estimates due to the unknown of the COVID-19 impact. As sales tax was reported throughout the year it was evident that the economy held strong with no reduction in sales revenue as predicted.

Sales Tax represents the second largest source of discretionary revenue comprised of:

1. Article 39 (1 cent sale tax) = \$2,900,000
2. Article 40 (1/2 cent sale tax) = \$2,200,000
3. Article 42 (1/2 cent sale tax) = \$700,000
4. Article 44*524 (Reallocation) = \$1,910,000



Total Revenues

- Ad Valorem Assessments \$14,325,864
- Sales Tax Revenue \$7,710,000
- Restricted Intergovernmental \$8,742,868
- Unrestricted Intergovernmental \$619,000
- Other Taxes and Licenses \$146,800
- All Other County Services and Fees \$10,109,094
- General Fund Balance \$3,995,000 which lowers the fund balance to 16.28%
- Cardinal Foster Care Funds \$1,627,800 to be received this year

Total Recommended Revenues, County - \$45,648,626



Expenditures – County Departments

General Gov't

- Twenty Seven (27) Departments, From Admin. to Vehicle Maintenance.

Requested = \$12,513,507

Recommended = \$11,485,568

Human Services

- Five (5) Department, from Health Department to Veteran's Services.

Requested = \$12,821,540

Recommended = \$12,443,266

Public Service

- Nine (9) Department, from Animal Control to Sheriff's Office.

Request = \$15,249,530

Recommended= \$14,172,656

Debt Service

- Funding sources for Schools and other County Projects.

Requested = \$5,081,473

Recommended= \$5,081,473

Other County Funding

- Capital Reserve, Contingency, Dedicated Fund, Mental Health, Hospital, Medicaid, Forsyth Tech.

Requested = \$2,580,270

Recommended = \$2,465,663

Total Requested= \$48,241,320

Total Recommended= \$45,648,626



Expenditures – Equipment

Total Requested Amount -\$2,961,246

Total Recommended Amount- \$1,662,441

\$448,711 from General Fund with financing and other revenue sources providing the balance with the breakdown of all items in the budget under the equipment request.

Major Equipment purchases include:

- Ambulance @ \$217,000
- Computers per I.T. @ \$98,500
- Tracer SC Web Based Automation System @ \$510,153



Expenditures –Personnel

The newly approved salary study effective March 2021 has a large presence in the overall budget. Additional recommended changes to personnel include:

Changes in County Personnel / Re-organization

- Animal Control-reduced 2 employees
- Sheriff's Office-added 2 employees (Animal Control Enforcement)
- Jail- reduced 1 employee
- Emergency Communications- added 1 employee
- Emergency Medical Services- added 6 employees (New Station)
- Public Buildings-added 1 employee
- Register of Deeds-added 1 employee

Total \$563,691.20



Expenditures – Personnel Services

Health Insurance

- The County utilizes a health insurance broker (EBA) to find the lowest cost insurance provider available. During this bid process Medcost, our current provider came in with the best bid. The bid for this year's coverage is \$644.85 per employee's (340 employees) monthly coverage. This is the same rate as last year.

Total Cost= \$2,630,988

Dental Insurance

- Dental insurance, will remain the same at \$28.67 per employee's monthly coverage.

Total Cost = \$116,973

Term Life Insurance

- Term Life insurance will increase to \$5.85 from \$4.98 per employee.

Total Cost= \$23,868

Unemployment Insurance

- Unemployment insurance increased to \$260 per year per employee

Total Cost= \$88,305

Retirement

- Retirement increased for regular employees (10.23% to 11.42%) and for Law Enforcement employees (10.84% to 12.04%).

Total Cost= \$1,775,904



Capital Projects

Based on the Facility Study completed by Peterson Gordon Architects in November 2020 I am recommending the following capital projects in the FY 21-22 budget at the total estimated cost of \$1,296,000.

- New Animal Control Building @ \$450,000
- DSS Roof @ \$183,000
- Reagan Building Roof @ \$138,000
- Old Courthouse Roof @ \$175,000
- Hospital Roof @ \$350,000

Additional repairs to the hospital are included in the budget. The above only reflect the roofs which are being financed.



Stokes County Board of Education 2021-22 Budget

School Current Expense:

Per North Carolina General Statutes, local Boards of Education have until May 15th of each year to submit their proposed budget to the County. The Board of Education delivered their approved budget on May 11, 2021. The requested amount is a **\$1,780,447** increase over last year's budget. The total amount requested is recommended to be funded due to we are able to use the school fund balance, and revaluation increase to fully fund the request.

Requested School Current Expense = \$14,712,177

My recommendation for the Schools Current Expense for the FY 2021-22 Budget is \$14,712,177. The tax rate remains at .31cent.

School Capital Outlay:

My recommendation for the Schools Capital Outlay for FY 2021-22 Budget is \$2,122,600 which is their requested amount. This is an increase of \$598,600 from last years budget.



Recommendation of Fiscal Year 2021-2022 Budget

It is my Formal Recommendation that the Board of County Commissioners adopt my Recommended Budget of \$60,360,803 for the 2021-22 Fiscal Year.

General Fund Budget	\$45,648,626
School Current Expense Budget	<u>\$14,712,177</u>
Total	\$60,360,803



I would like to thank each of the County employees for their tireless efforts and continuous service that they provide to the citizens of Stokes County. I would also like to thank the Board of Commissioners for providing valuable direction in the development of this recommended budget. I am looking forward to working with the Board on finalizing the budget for FY 2021/22 that will meet the service needs and expectations of our citizens and our communities.



The next steps in the Budget process:

Budget Work Sessions

June 8, 2021 @ 2:00 pm

June 15, 2021 @ 6:00 pm

June 17, 2021 @ 2:00 pm

June 22, 2021 @ 3:00 pm

Public Hearing

June 7, 2021 @ 7:00 pm

Joint Meeting with the Board of Education

June 10, 2021 @ 2:00 pm

All meetings to be held in the Commissioners Chambers

