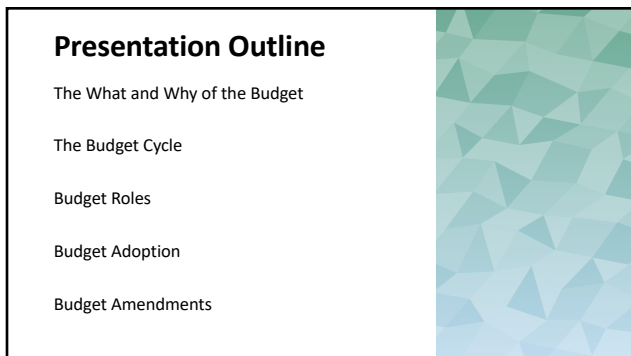
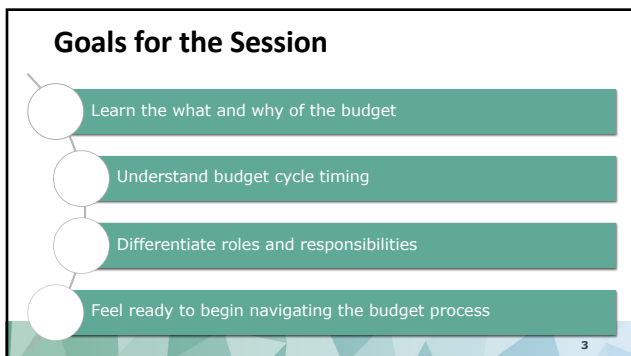




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A budget is

A Plan that:

Allocates resources (taxes, state/federal funds, charges for services, permits and fees) to people, contracts, supplies, materials and equipment;

In a manner that aligns with the County's goals and priorities;

To accomplish the delivery of services to the community.

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Reasons to have a budget...

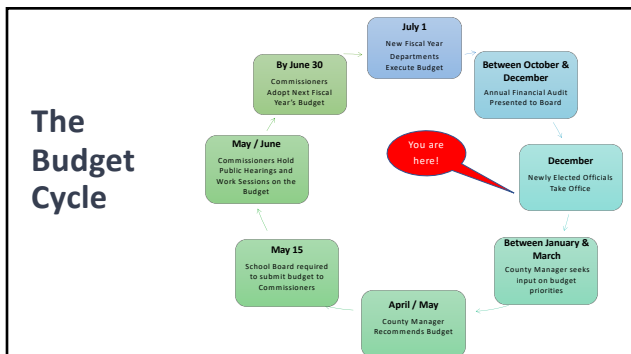
It's Required

State Statute NCGS 159-8 requires a balanced budget ordinance from all local governments

Budget is the tool by which Commissioners create the **legal authority to spend** (appropriation) for County operations

It's a **Communication tool** - the process (and budget document) explains how taxpayer dollars are used for the community's benefit

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DISCUSSION TOPIC #1: JUMPING INTO THE PROCESS

As a newly elected commissioner, you are joining your County as the budget process is gearing up. What information do you need so you can hit the ground running?

What are your top priorities and how can you further them in the budget process?

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Budget Roles and Responsibilities

County Departments

County Manager

Board of Commissioners

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Role of County Departments

Deliver services to the community

Prepare budget requests to support the Board and community priorities, taking into account

- Responsiveness to the changing needs of the community
- Best practices for delivering high-quality services
- Strategic and long-range plans
- Technology investments to enhance service efficiency and effectiveness

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Role of the County Manager

Is the County Budget Officer per State Statute

Recommends a budget to the Board of Commissioners that should:

- Support your Board priorities and the actions required to accomplish them
- Include department requests to maintain or expand county services
- Budget all revenue sources
- Follow all foundations of a fiscally responsible budget

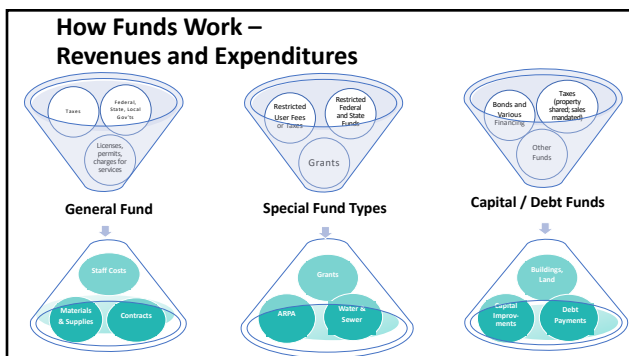
Communicate the impact of any tax or fee increases on residents and businesses

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Foundations of a Fiscally Responsible Budget

- Budgets must be balanced and should avoid using one-time resources to fund recurring expense
- Maintain an adequate General Fund reserve (fund balance)
Typically set as percentage of the next year's budget
- Revenue projections should be set at realistic and attainable levels
Property tax collection rates cannot exceed the actual collection for the prior fiscal year

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Time span of funds determines budget ordinance type

Annual NCGS §159-13	Project / Multi-year NCGS §159-13.2
Appropriation is for a single fiscal year (July 1 to June 30)	A project (grant or capital) ordinance authorizes all appropriations necessary for the completion of the project
If amount not spent or obligated against the appropriation by end of fiscal year, authority to spend lapses	Does not require readoption in any subsequent fiscal year – spending authority can span multiple years
Fund requires readoption each year	

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Example of Fund Types and Individual Funds

Fund Type	Annual or Multi-year	Attributes	Individual Funds
General Fund	Annual	Taxes primary source	General Fund (Core County operations)
Special Revenue	Either	Revenues restricted for specific purposes	ARPA, Fire Tax Districts, E911 Fees, Representative (DSS) Payee, Fines and Forfeitures, Deed of Trust
Enterprise	Annual	Self-supported from fees and charges	Water and Sewer Operating Fund, Water & Sewer Districts, Solid Waste Operations
Custodial	Annual	Funds held on behalf of others; Not for county use	Municipal Property Tax Distributions, Jail Inmate Trust Funds, Cooperative Extension
Grant & Capital Projects	Multi-year	Budgets align with life of project	Grants Fund, Water and Sewer Capital, Solid Waste Capital

You will spend most of your time on the General Fund

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Once the County Manager recommends the budget, it is now the “Board’s budget” to modify or change

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DISCUSSION TOPIC #2: Providing Input

How can a 5 to 9-member board all give input to the county manager as the manager works on the budget?
What might that communication look like?

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Role of Board of Commissioners

- Establishes county policy and sets the property tax rate
- Evaluates the budget recommendation of the County Manager
- Hold a public hearing(s) to provide citizens an opportunity to speak on the proposed budget
- Holds budget work sessions for the Board to discuss the recommendations contained within the budget proposal and may request that the County Manager make modifications to the proposal
- Formally adopts the budget through approval of ordinances
- Amends the budget as needed throughout the year

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Budget Adoption Process

Board of Commissioners

Must hold a public hearing and adopt the budget before July 1.
Establishes the property tax rate (can only be done as part of the annual budget process)

Budget Ordinances

Provides the legal authority to spend - Appropriation
Delegates certain responsibilities to the County Manager, Finance Director and Tax Collector
Includes estimated revenues and expenditures for each fund

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Budget ordinances are document presented to the Board that include all budget details requiring approval

SECTION 1. GENERAL FUND - REVENUES. It is estimated that the following revenue will be available in the General Fund for the fiscal year beginning July 1, 2022 and ending on June 30, 2023.

GENERAL REVENUES	
General Fund	\$13,450,000
All Other Taxes	8,700,000
Sales Taxes	120,000
Other Taxes	250,000
Unrestricted Intergovernmental Revenues	1,000,000
Grants	800,000
Sales and Services	3,750,000
Fees and Fines	800,000
Investment Earnings	1,000,000
Other Revenues	250,000

SECTION 2. GENERAL FUND EXPENDITURES. The following expenditures are hereby appropriated in the General Fund for the operations of the County government and its activities for the Fiscal Year July 1, 2022 and ending June 30, 2023.

GENERAL EXPENDITURES	
General Government	\$ 284,450
Governor's Office	271,000
County Manager	650,000
Finance	1,170,000
Tax Processors	1,700,000
Tax Collector and Collectors	180,000
County of D	180,000
Public Safety	3,957,000
Public Buildings	275,000
Central Services	810,000
Public Safety	\$ 3,957,000
Grand Total	\$ 8,277,450

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DISCUSSION TOPIC #3: Finalizing the Budget

The Board of Commissioners held a public hearing on the recommended budget. While there is a small tax increase, speakers at the public hearing do not comment on the tax increase. The public comments were focused on:

- The budget did not include enough funding for the school system to support teacher salary supplements.
- Non-profits who requested increases in their funding are not happy with the recommended appropriation.
- While not in attendance at the public hearing, you receive a letter from the Sheriff that he is unhappy the pay raises recommended for staff and wants to meet with the commissioners

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DISCUSSION QUESTIONS #3: Finalizing the Budget

What are your thoughts on how to address the three primary issues raised about the budget?

If you want to increase funding in any area, it requires reducing other amounts in the County Manager's recommending budget or finding additional revenue sources. Where do you start?

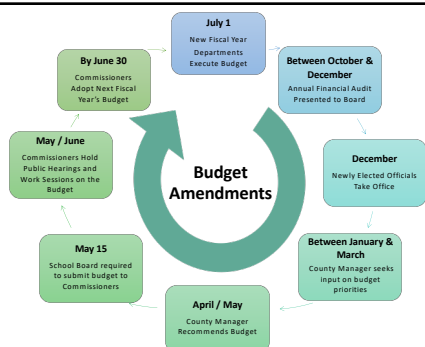
How do you handle the Sheriff's request for a meeting?

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Budget Amendment Process

Budget changes happen throughout the year that will require Board Approval

Budget is a year round process



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Take Aways

Budgets are required and provide the spending plan for all county resources


Budgets must be balanced and follow fiscally sound policies

Well-defined roles and responsibilities exist


Budget is a year-round process

The Budget Process is one of the Board's most important responsibilities


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Thank you for your time and attention!



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