

services. Under the Memorandum of Agreement, the County, through its Inspections Department and Fire Marshall, shall conduct fire prevention inspections for commercial buildings located within the territorial and extraterritorial jurisdictions of the Town. The Town shall pay to the County a fee for each inspection performed within the municipal Jurisdiction in accordance with the Fee Schedule attached as **Schedule E**. The Town shall be responsible for payment of all fees associated with inspections performed during the prior month on or before the first day of each month. These fees must be paid to the County by the Town irrespective of whether the Town has collected the fees from the businesses inspected during the prior month. It shall be the sole responsibility of the Town to bill businesses for inspections performed by the County pursuant to this Agreement and collect payment for the same.

- I. **TRANSPORTATION DEPARTMENT** With the additional of Medicaid Transportation, our transportation operations have grown substantially; therefore, this budget establishes a new, separate, Transportation Department. The fee schedule for this department is attached as **Schedule F**.

**SECTION IV. – ECONOMIC DEVELOPMENT RESERVE** Fund balance in the amount of \$1,500,000 is designated as an Economic Development Reserve. In addition to this amount an additional \$250,000 is budgeted in this fiscal year to add to the amount designated. It is the intention of the Board to continue to add money to this reserve until at least \$5,000,000 has been accumulated. The Economic Development Reserve is intended as a tool to provide funding for select economic development projects designated by the Board as vital to overall financial stability of Sampson County. It is the intention of the Board that the funds in the Reserve be used to leverage State and federal grant funds that will be used to purchase property for industrial sites and develop needed infrastructure that will enhance our ability to attract industry to the County. The Board of Commissioners will have final approval of any expenditures from the Reserve.

#### **SECTION V. - SCHOOLS**

- A. **CURRENT EXPENSE** The allocation for school current expense is appropriated on a lump sum basis. The total allocation of current expense is \$11,974,938. This amount represents \$1,069 per child based on the average daily membership estimate provided by the N.C. Department of Public Instruction. This budget continues the funding allocation system that creates a base funding amount that will allow the Board of Commissioners and the Boards of Education to better estimate future school funding.

The system is intended to allow the County and the school system a method to project future allocations. Allocations for the school system's current expense funding will be calculated as a percentage of the County's General Fund budget. Based on this year's budget, the operational monies for the schools represent approximately 20.23% of the County's General Fund revenues less those funds allocated to pay incentives, exceeding the minimum goal of 19.5%. (Last year, we projected the base amount of current expense funding for the schools to be 19.5% of our General Fund revenues, and it was noted that the property tax base in the General Fund revenues would be adjusted to reduce same to reflect the dollars paid back to industries for incentives and potential non-recurring gains

from business audits.) It is intended that such funding formula would apply unless the county is facing or has recently incurred an exigency.

In accordance with the School Budget and Fiscal Control Act, each school board is specifically requested to submit to the Board of Commissioners, as soon as possible, a copy of the school board’s budget resolution. The School Finance Officer is requested to submit a monthly statement of the financial condition of the local funds of the administrative unit to the County Finance Officer.

- B. **CAPITAL OUTLAY** A reserve fund applicable to the 1983 one-half cent sales tax providing for 30 percent of this revenue source to be reserved for capital outlay projects for Sampson County and Clinton City School Systems will continue to exist. As projects are justified to the County Commissioners, these funds will be appropriated to the two systems. Revenue from this source is anticipated at \$1,135,500.

Revenue from the 1986 one-half cent sales tax is anticipated at \$1,457,000 and is placed in a capital reserve. This represents 60 percent of the total anticipated revenues.

C. **SCHOOL DEBT**

**Debt Service, Public School** Funds to continue to retire the debt for our public schools have been included. The amounts are as follows:

2010 Installment Payment Revenue Bond	\$ 1,288,475
Qualified Zone Academy Bonds	260,572
2015 Limited Obligation Bonds	3,380,198
2017 Limited Obligation Bonds	<u>2,485,000</u>
Total	<u>\$ 7,414,245</u>

**SECTION VI. – EMERGENCY APPROVALS, SCHOOLS** Emergency transfers to and from the General Fund, Clinton City School, and Sampson County School activities shall be in accordance with the School Budget and Fiscal Control Act.

**SECTION VII. – OTHER DEBT**

**Capital Project Debt, Miscellaneous** The grand total for the annual payment for the debt for miscellaneous projects and enterprise fund is \$2,333,600 This includes the following projects:

<b>General County</b>	
2017 Limited Obligation Bonds	\$ 1,347,600
<b>Enterprise Funds:</b>	
Water District I	70,500
Water District II	<u>915,500</u>
Total Enterprise Funds	<u>986,000</u>
Total	<u>\$ 2,333,600</u>

**SECTION VIII. – CAPITAL MAINTENANCE RESERVE ACCOUNTS** This budget ordinance provides for five separate capital maintenance reserve accounts: one each for the County, each of the school systems, the community college and an educational facilities account. Monies in these accounts are not for any new construction and will only be approved to be used for necessary long-term maintenance issues, such as roofs, HVAC, not general upkeep. Expenditure of these funds requires action by the Board of Commissioners. This budget allocates \$462,000 for the capital reserve.

**SECTION IX. – PERIODIC FINANCIAL REPORTS** A report comparing budgeted and actual revenues and expenses by line item account shall be presented to the County Finance Officer for each agency or department funded by the County where accounting is not done by the County. The County Finance Officer shall be notified of any changes in the budget presented to the Board of Commissioners immediately or within thirty days of the change by any agency having authority to change its line items. Approved payments may be delayed pending receipt of timely financial information. The report shall be made monthly, except under special circumstances, the report may be quarterly. No expense report to a State or Federal agency is to be released until it is reconciled with the official records of accounting which are those of the Finance Officer. The Finance Officer shall provide monthly expense and revenue reports to all departments and agencies for which it does their accounting.

**SECTION X. – FIXED ASSET CAPITALIZATION** The capitalization threshold is \$2,500.00 for individual items that have a life expectancy of more than one year. Individual items costing between \$1,000.00 and \$2,499.99 with a life expectancy of more than one year are non-depreciable assets and are assigned to the object code “526201”. Items costing less than \$1,000.00 each are departmental supplies.

**SECTION XI. – ENTERPRISE FUND, WATER** The water/sewer enterprise fund comprises both Water/Sewer District I and Water/Sewer District II. In 2000, the Board of Commissioners adopted an Interlocal Agreement which effectively consolidates the administration, bookkeeping, operations, maintenance and expansion of the two water districts. The water rate schedule remains at \$19.40 for the basic rate gallons and \$4.85 per 1,000 gallons thereafter. The tap fee for both districts remains at \$600 for 1 inch lines and remains at \$500 for ¾ inch lines. Connection and reconnection fees remain at \$50. As authorized in FY 2003-04, the Public Works Department and the Finance Office may utilize bank drafts for payment of water bills, as requested by citizens as a convenient way to pay their water bills.

**SECTION XII. – ELECTIONS** This budget funds the cost of one election. The amount of \$54,500 has been placed in a special contingency for a second election if needed.

**SECTION XIII. PERSONNEL (NOTING FINAL YEARS OF PAY PLAN IMPLEMENTATION)** Fiscal Year 2018-2019 represents the final year of the four-year implementation plan developed as a result of the Pay Plan, Classification and Benefits Study conducted by the Springsted consulting firm. The goals of the plan were to enhance, improve, and maintain a current workforce in a manner that yields an employee base that is highly productive and efficient, with a continued focus on customer service; to recognize the contribution of seasoned, experienced employees that have