

**Graham County
North Carolina**

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GRAHAM COUNTY, N.C.

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**Budget Ordinance
Fiscal Year 2020-21**



GRAHAM COUNTY

BUDGET MESSAGE

FY 2020-21

To the Citizens of Graham County, County Commissioners, Elected Officials and Employees of Graham County Local Government:

Six months ago, no one could have anticipated a pandemic that would shut down the entire world's economy. Graham County was no exception. On March 10, 2020, Governor Cooper declared a State of Emergency in North Carolina, which was followed shortly by President Trump's National State of Emergency Order on March 13, 2020. Graham County issued its State of Emergency order and curfew on March 19, 2020. This was followed shortly thereafter with the closure of county facilities on March 16, 2020, and the closure of our points of ingress into Graham County on March 21, 2020. We all started learning how to live in the "new normal" of telecommuting, ZOOM meetings, job furloughs, the Governor's Stay at Home order, and unfortunately, the closure of our accommodations and businesses who make up an integral part of our local economy. Since that time, Graham County has been following the Governor's orders as the State works to re-open our economy in a phased-in approach. The ripple effects of these events will have lasting and far reaching impacts to our local, state, national, and world economies for years to come. The virus will not go away and we will have to continue to learn to navigate life with an invisible enemy. We, like the rest of the nation, hope that a vaccine will become available soon.

With the closure of businesses in our county and the continued effects of the virus, the budgetary impacts will occur over time and will be difficult to predict. This creates great uncertainties in predicting our revenue streams. Following guidance provided the State, we have conservatively projected revenue. I have forecasted a \$1.1 million shortfall in revenues for fiscal 2020-21, which includes an estimated \$600,000 decline in sales tax revenue. I am hopeful that this estimate is too conservative, but cannot afford to over-estimate this important revenue source. This is magnified by losses in revenues experienced during March and April due to the pandemic. Going into the pandemic, Graham County had been able to save \$1.2 million in "rainy day" fund balance that was unrestricted either by State statutes and was above the recommended fund balance percentages that the State Treasurer recommends for small counties. While we began this situation with nearly \$10 million in the bank, the majority of this balance is restricted. These restricted funds are to be held by Graham County to cover operations in the event of a loss in federal and State shared revenues. As of now, because of losses in immediate revenue, this unrestricted "rainy day" fund is nearly depleted.

In addition to the loss of revenue, the budget for the County has been negatively impacted by changes in health insurance rates and retirement rates, along with increases in insurance and worker's compensation rates. The North Carolina Local Government Retirement System is mandating a 14% increase in retirement contributions. Health insurance rates increased 9.4% and our worker's compensation premiums increased by \$50,000 for the coming fiscal year. This represents an additional \$300,000 in planned expenditures. Combined with the projected revenue shortfalls, a \$1.4 million deficit had to be closed.

With this situation at hand, I have proposed a budget for the General Fund of \$15,912,770 for fiscal 2020-21. The following rationale has been adopted to meet the revenue shortfall and the additional costs for benefits.

- No scheduled tax increase. Property tax rate will remain the same.
- Spending freeze for non-recurring and non-emergency, discretionary costs remains in place. This freeze was implemented in early February, 2020.
- Freeze on new positions not already approved by the Board of County Commissioners at July 1, 2020.

- Freeze on raises based on new certifications or changes in State Personnel grades unless employees job duties change or take on new roles, with Board of Commissioner/County Manager approval.
- No capital outlay unless it is 100% grant funded or falls under a State grant which mandates the purchase.
- No overnight travel out of town, unless state mandated or has a public safety purpose.
- Extend furloughs for employees under a COVID -19 furlough.
- Maintain K-12 current expense school funding and Tri-County Community College funding at 2019-20 levels.
- Maintain Food Bank and Industrial Opportunities funding at 2019-20 levels.
- Maintain Fire and Rescue funding at 2019-20 funding levels.
- Nonprofit organizations funding will be re-evaluated on a monthly basis and added back as revenue streams permit.
- Public library to be funded at current 2019-20 levels, with a monthly budget review and consideration of the full request of \$80,783 as revenue streams permit.
- Debt Service maintained at present levels.
- Use CARES Act and FEMA funding to reimburse COVID-19 related costs so that department budgets most stressed by the pandemic do not experience adverse effects to their programs due to the pandemic.
- 5% across the board cuts to departments with continued monthly reviews.
- Planned easing of the above restrictions as revenues rebound, with appropriate budgetary amendments.

While this budget is highly conservative, Graham County remains committed to maintaining high levels of services to its citizens and to maintaining a stable and loyal workforce. We will continue to be vigilant in our budget review process to ensure integrity in the budget, but to also look for opportunities to enhance programs and return program budgets to present levels as revenues rebound, while guarding against over-spending the taxpayer's money.

We have made great strides in the past several years in program enhancement through the use of grant revenue opportunities. For example the Golden Leaf foundation and Appalachian Regional Commission have provided nearly \$1 million towards healthcare enhancement. As a result, we have a state of the art 3D mammogram and a high resolution CT scan in our County. We are also in the process of launching a community paramedicine program, which will enhance the lives of elderly and at-risk patients. We continue to seek grants as a top priority.

Graham County has always been a resilient and innovative County. I have no doubts that we will rebound from this pandemic stronger and better. For now, we have to be wise in our efforts to prevent spread of the virus and be wise in our fiscal stewardship to the taxpayers.

With Best Regards,

Rebecca E. Garland, MPA, CPA
County Manager/Finance Officer

GRAHAM COUNTY, NC
GENERAL BUDGET
2020-21

GRAHAM COUNTY GENERAL BUDGET FOR 2019-20

In accordance with North Carolina Statute 159-11, the Graham County Fiscal Year 2020-21 budget is being respectfully submitted. The budget is balanced in accordance with the Local Government Budget and Fiscal Control Act with total revenue and expenditures for \$ 15,912,770 .

INTRODUCTIONS

In the following you will find the summary of the Graham County Budget with appropriations at the departmental level which also shows sources of revenues to fund the expenditures. With the assistance of the departments this budget can meet the requirements of the Fiscal Control Act.

BUDGET SUMMARY

This budget is passed on a departmental level. A line item budget is available in the finance/county manager office for review. The line item budget is utilized for analytical purpose and internal management use.

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Budget Summary

Statutory Requirements and Ordinance Restrictions

Total County Funds

General Fund Revenues By Category

General Fund Expenditures By Function

Budgets By Fund Type:

General

911 Fund

Revaluation Fund

Economic Development Fund

Statutory Requirements and Ordinance Restrictions

An Ad valorem Tax Rate of \$.65 per \$100.00 at full valuation is hereby established as the official tax for the County of Graham for the Fiscal Year 2020-2021. The rate is based on the total valuation of \$ 1,037,923,805 at 97.41 percent collection. The revenue neutral rate is \$.5951 per \$100 at full valuation at the last revaluation. The full \$.65 per \$100.00 tax rate will be used to fund general fund appropriations.

SPECIAL AUTHORIZATION - BUDGET OFFICER

- A. The Budget Officer shall be authorized to reallocate appropriations amount the various objects of expenditures as necessary.
- b. The Budget Officer shall be authorized to effect interdepartmental transfers, in the same fund, not to exceed 10% of the appropriated monies for departments whose allocations are reduced. Notation of such transfers shall be made to the Board on the next succeeding financial report.

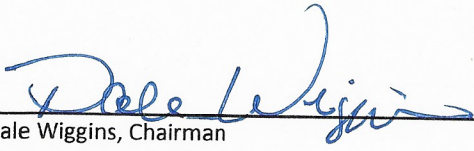
RESTRICTIONS - BUDGET OFFICER


- A. The interfund transfer that exceeds 10% shall have the approval from the Board of Commissioners.
- b. The utilization of any contingency appropriation shall be only with Board authorization.
- c. The allocation for 699-17 (Schools Current Expense) shall not be used for salary increases or bonuses, nor for capital outlay items. The Board will present to the School Board a listing of approved line items for which the appropriation may be used.


The Ordinance and Budget Document shall be the basis of the financial plan for Graham County Government during the fiscal year 2019-20. The Budget Officer shall administer the budget and insure that operating officials are provided guidance and sufficient details to implement their appropriate part of the budget. The accounting record shall establish records which are in agreement with the budget, this ordinance, and the appropriate statutes of the State of North Carolina.

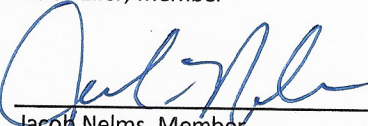
This budget will be in effect on a departmental level in accordance with NCGS 159.

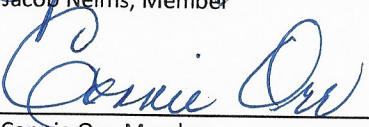
Approved and adopted this the 16th Day of June, 2020.


Dale Wiggins, Chairman

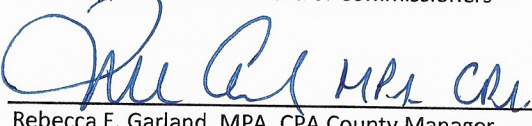

Lynn Cody, Vice Chairman

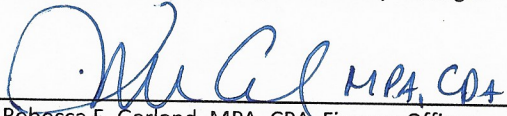

Keith Eller, Member

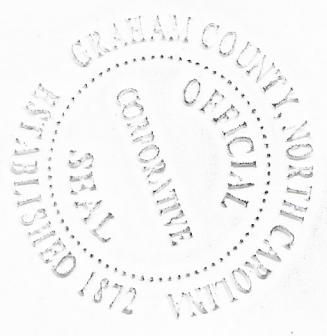

Jacob Nelms, Member


Connie Orr, Member


Kim Crisp, Clerk to the Board of Commissioners


Rebecca E. Garland, MPA, CPA County Manager


Rebecca E. Garland, MPA, CPA, Finance Officer



Total County Funds

The FY 2020-21 recommended budget for all Graham County Funds has an annual operating budget of \$ 15,912,770. The county has established an annual budget for four (4) separate funds. These funds can be paired in to the following fund groupings.

General Fund	\$ 15,762,076	99.05%
Special Revenue Funds		
Revaluation	50,000	0.31%
911 Fund	75,694	0.48%
Economic Development Fund	25,000	0.16%
Total Special Revenue Funds	150,694	0.95%
Total Operating Budget - 2020-21	\$ 15,912,770	100.00%

General Fund - The General Fund is the general operating fund of the County. It is used to account for all of the financial resources except for those required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, sales taxes, federal and state grants, and various other taxes and user fees. The primary expenditures are for general government services, public safety, human services, education and debt service.

Special Revenue Funds - The Special Revenue Funds are used to account for specific sources that are legally restricted to expenditures for specific purposes. The County will maintain three (3) Special Revenue Funds for FY 2019-20: Revaluation Fund , 911 Fund, and Economic Development Fund.

Capital Projects Fund: Capital Project Funds are used to account for the financial resources to be used for acquisition and construction of major capital facilities. These funds have a project budget as opposed to an annual budget. Construction of the 911 Call Center will be completed in the fiscal year 2019-20. The amounts presented represented the funds to be expended in the 2020-21 budget year. Capital Projects are presented for informational purposes only. A capital project ordinance will be set in place for the 2020-21 budget year.

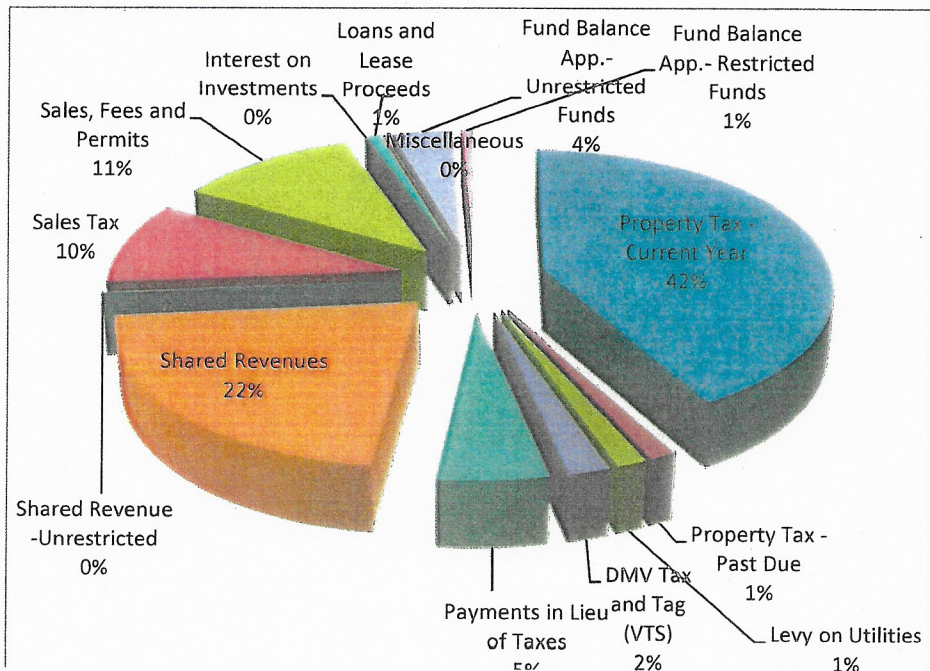
GRAHAM COUNTY
GENERAL FUND
REVENUES BY CATEGORY
FY 2020-21

General Fund Revenues By Category

The General Fund with estimated revenues totaling \$ 15,762,076 derives its revenues from a variety of sources, as shown below:

SOURCES OF REVENUE

	Revenue	% of Total
Property Tax - Current Year	\$ 6,598,960	41.87%
Property Tax - Past Due	199,520	1.27%
Levy on Utilities	226,800	1.44%
DMV Tax and Tag (VTS)	316,100	2.01%
Payments in Lieu of Taxes	827,000	5.25%
Shared Revenues	3,410,826	21.64%
Shared Revenue -Unrestricted	15,600	0.10%
Sales Tax	1,526,974	9.69%
Sales, Fees and Permits	1,779,994	11.29%
Interest on Investments	12,590	0.08%
Loans and Lease Proceeds	130,000	0.82%
Miscellaneous	15,000	0.10%
Fund Balance App.- Unrestricted Funds	594,712	3.77%
Fund Balance App.- Restricted Funds	108,000	0.69%
	\$ 15,762,076	100.00%



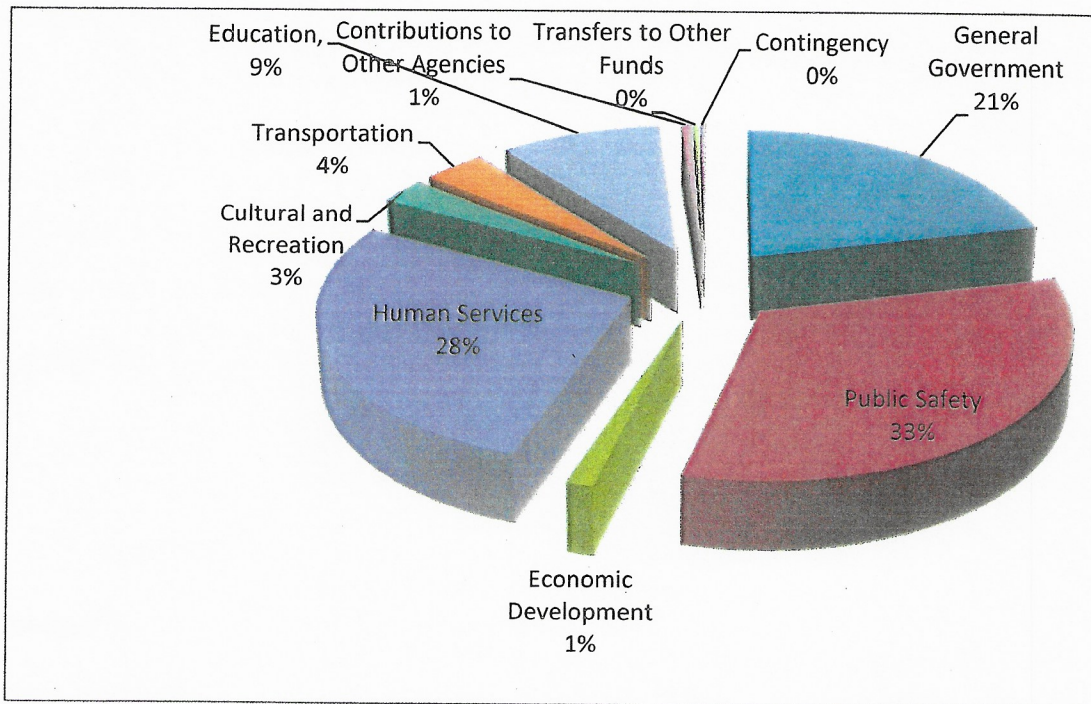
GRAHAM COUNTY
EXPENDITURES BY FUNCTION
FY 2020-21

General Fund Expenditures By Function

The General Fund Budget totaling \$15,762,076 is comprised of separate expenditure categories as shown below.

EXPENDITURES BY FUNCTION

General Government	\$ 3,325,832	21.10%
Public Safety	5,161,625	32.75%
Economic Development	198,113	1.26%
Human Services	4,377,124	27.77%
Cultural and Recreation	431,026	2.73%
Transportation	590,121	3.74%
Education, Including Debt Service	1,490,100	9.45%
Contributions to Other Agencies	90,635	0.58%
Transfers to Other Funds	50,000	0.32%
Contingency	47,500	0.30%
	\$ 15,762,076	100%



GRAHAM COUNTY
 GENERAL FUND
 BUDGETED EXPENDITURES
 FY 2020-21

GENERAL FUND

**FY 2020-21
 BUDGET**

GENERAL GOVERNMENT

GOVERNING BODY - OPERATIONS	\$ 361,372
GOVERNING BODY - CONTINGENCY FOR COURTS	100,000
GOVERNING BODY - SALES TAX REVERSION SCHOOL CAPITAL	95,000
GOVERNING BODY - TRANSFER TO COURTHOUSE FUND	186,415
ADMINISTRATION	547,046
BOARD OF ELECTIONS	144,405
FINANCE	168,407
TAX ASSESSOR	116,404
TAX MAPPING	67,109
TAX COLLECTOR	108,749
REGISTER OF DEEDS	190,225
PUBLIC BUILDINGS	640,669
GROUNDS MAINTENANCE	48,303
PROJECT MANAGEMENT	74,337
VEHICLE MAINTENANCE	47,112
COMPUTER SUPPORT	190,815
CEMETARY	239,464
CONTINGENCY	47,500
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TOTAL GENERAL GOVERNMENT	3,373,332

PUBLIC SAFETY

SHERIFF	1,509,298
JAIL	827,132
AMBULANCE	1,129,817
EMS BILLING	35,625
DISTRICT COURT	7,933
CIVIL PREPAREDNESS - OPERATING	88,552
CIVIL PREPAREDNESS - EMPG FUNDED CAPITAL OUTLAY	49,968
COMMUNITY PARAMEDICINE - GRANT FUNDED	83,773
COMMUNICATIONS	482,711
SANITATION	733,711
NC FOREST CONTROL	73,855
FIRE PROTECTION AND RESCUE	139,250
USFS TIMBER RECEIPTS FOR FIRE PROTECTION	-
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TOTAL PUBLIC SAFETY	5,161,625

GRAHAM COUNTY
GENERAL FUND
BUDGETED EXPENDITURES
FY 2020-21

ECONOMIC DEVELOPMENT

COUNTY PLANNER	69,501
ECONOMIC DEVELOPMENT COMMISSION GRANTS	12,000
SOUTHWESTERN COMMISSION - DUES	6,170
BUILDING INSPECTION	110,442
TOTAL ECONOMIC DEVELOPMENT	198,113

HUMAN SERVICES

HEALTH DEPARTMENT	1,389,310
SOCIAL SERVICES	2,356,668
HUMAN SERVICES CONTINGENCY	185,000
SENIOR CENTER	442,146
VETERANS	4,000
TOTAL HUMAN SERVICES	4,377,124

CULTURAL AND RECREATION

AGRICULTURE EXTENSION	91,577
4 H	9,500
SOIL AND WATER	76,162
RECREATION	145,910
SWIMMING POOL	32,877
CONTRIBUTION TO REGIONAL LIBRARY	75,000
TOTAL CULTURAL AND RECREATION	431,026

TRANSPORTATION

COMMUNITY TRANSPORTATION	590,121
TOTAL TRANSPORTATION	590,121

GRAHAM COUNTY
GENERAL FUND
BUDGETED EXPENDITURES
FY 2020-21

SPECIAL APPROPRIATIONS

EDUCATION

PUBLIC SCHOOLS - CURRENT EXPENSE	1,000,000
PUBLIC SCHOOLS - CAPITAL OUTLAY	-
PUBLIC SCHOOLS - TIMBER - SRS	-
DEBT SERVICE:	
GENERAL OBLIGATION BONDS	280,182
QZAB SCHOOL DEBT	84,394
TRI COUNTY COMMUNITY COLLEGE	<u>125,524</u>
TOTAL EDUCATION	1,490,100

CONTRIBUTIONS TO NONPROFIT ORGANIZATIONS

JCPC	56,435
REGIONAL MENTAL HEALTH	6,000
HERITAGE FESTIVAL	-
STATE OF FRANKLIN	4,000
INDUSTRIAL OPPORTUNITIES	13,000
GRAHAM COUNTY FOOD BANK	11,200
GRAHAM COUNTY HISTORICAL ASSOCIATION	-
GRAHAM COUNTY SPECIAL OLYMPICS	-
CELEBRATE RECOVERY - ADDICTION RECOVERY	-
CHURCH MOUSE MINISTRIES COMMUNITY GARDEN FUND	-
STECOAH VALLEY CENTER	-
TOTAL SPECIAL APPROPRIATIONS	<u>90,635</u>

TRANSFERS TO REVALUATION FUND	<u>50,000</u>
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TOTAL GENERAL FUND EXPENDITURES	<u>\$ 15,762,076</u>
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GRAHAM COUNTY
911 FUND
BUDGETED EXPENDITURES
FY 2020-21

EMERGENCY TELEPHONE SYSTEM FUND

REVENUES

NC 911 BOARD	\$ 75,694
FUND BALANCE APPROPRIATED	<u>-</u>
TOTAL 911 REVENUES	<u><u>\$ 75,694</u></u>

EXPENDITURES

TELEPHONE SERVICE	\$ 15,000
CONTRACTED SERVICES	55,000
SUPPLIES AND MATERIALS	<u>5,694</u>
TOTAL 911 EXPENDITURES	<u><u>\$ 75,694</u></u>

GRAHAM COUNTY
REVALUATION FUND
BUDGETED EXPENDITURES
FY 2020-21

REVALUATION FUND

TRANSFERS FROM GENERAL FUND	\$ 50,000
FUND BALANCE APPROPRIATED	<u>-</u>
TOTAL REVENUES	<u><u>\$ 50,000</u></u>
CONTRACTED SERVICES	<u>\$ 50,000</u>
TOTAL EXPENDITURES	<u><u>\$ 50,000</u></u>

GRAHAM COUNTY
ECONOMIC DEVELOPMENT FUND
BUDGETED EXPENDITURES
FY 2020-21

ECONOMIC DEVELOPMENT FUND

REVENUES

Fund Balance Appropriated

\$ 25,000

EXPENDITURES

Capital Outlay - Health Care Project

\$ 25,000