

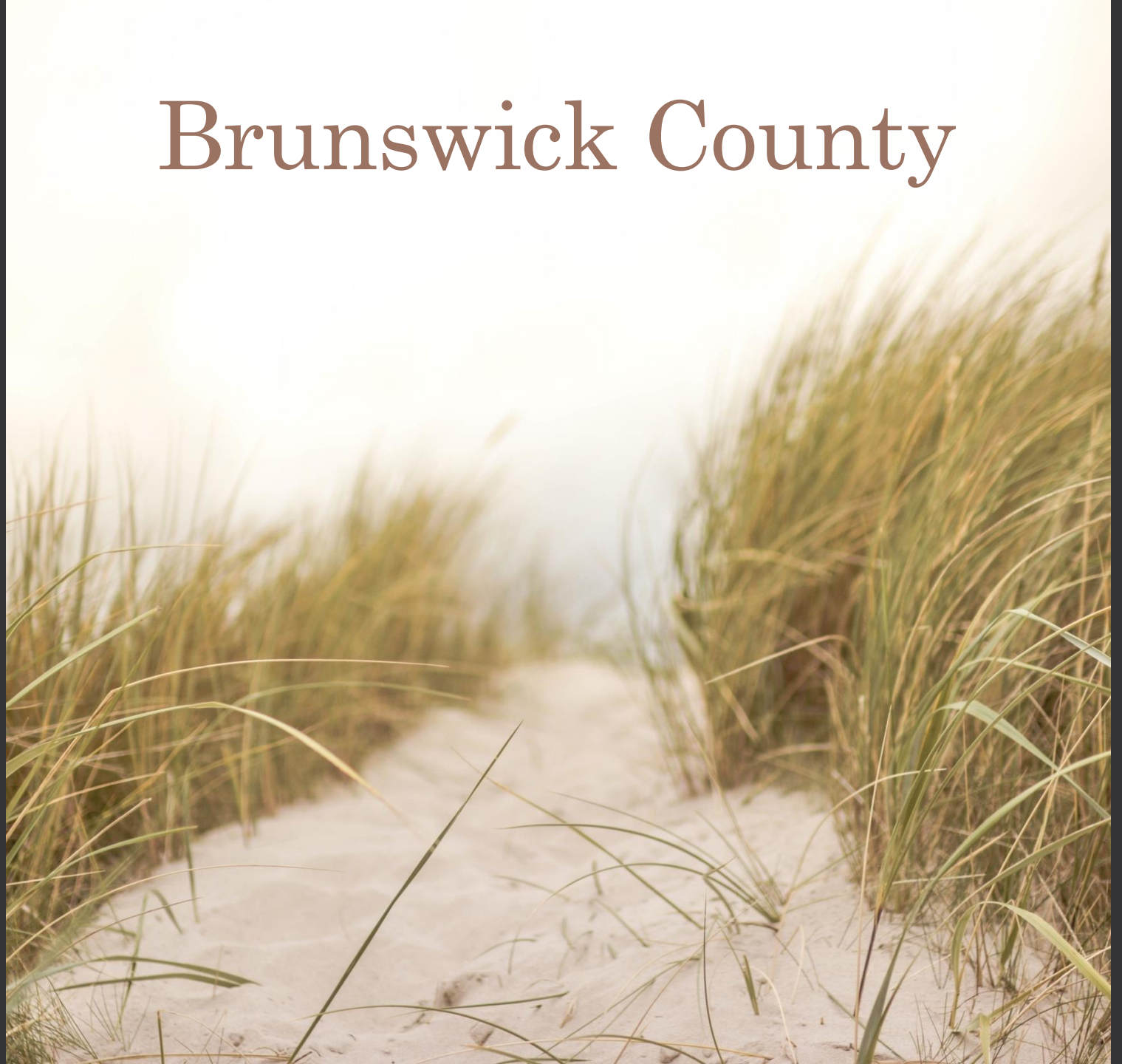
Brunswick County

Budget Workshop

Fiscal Year 2022

Commissioners
Chambers

May 3, 2021



Brunswick County Commissioners



District 1
Randy Thompson,
Chairman



District 2
J. Martin (Marty) Cooke



District 3
Pat Sykes



District 4
Mike Forte,
Vice Chairman



District 5
Frank Williams

Agenda for May 3rd Budget Workshop

- **Morning:**

- General Fund Draft Recommended Budget and Capital Improvement Plan
- Brunswick County Schools Capital Plan

- **Afternoon:**

- Enterprise Fund Draft Recommended Budget and Capital Improvement Plan
- Rate and Fee Recommendations
- Other Discussions:
 - Opportunity for Departments, Staff, Agencies to Address the Board of Commissioners Regarding the Draft Recommended Budget
 - Comments & Direction From the Board of Commissioners

Administration – Preliminary Recommended Budget, Fees, and Capital Improvement Plan

Randell Woodruff, County Manager

Budget and Goals Process

- **January 2021** - Assess Needs, Engage Staff, Gather Information to Prepare Budget Requests and Develop Unit Goals
- **February 2021** – Annual County Commissioners’ Goals Retreat to Guide Staff in Budget and Goals Development.
- **March - April 2021** – Leadership and Staff Review Goals, Budget Requests & Collaborate to Develop Manager’s Budget Recommendation
- **April 2021** – Manager Developed a Draft Budget Recommendation to Present to the Board of Commissioners at Today’s Workshop

Preliminary Budget

- Working Document
- Corrections & Omissions Will Be Discovered
- Opportunity to Adjust & Revise Prior to Approval
- Provisions for Commissioner & Emergency Contingencies for Amendments in the New Fiscal Year as Circumstances Occur
- Revenue & Expenditure Projections are Conservative
- Improvements in County Services & Addresses Population Growth
- Budget is Balanced with Reasonable Fund Balance Consistent with Recent Years
- Enterprise Reserve Appropriations are Conservative and Align With Capital Improvement Plan
- Fees Recommendations Related to Costs of Providing Services

Focus of DRAFT Recommended Budget

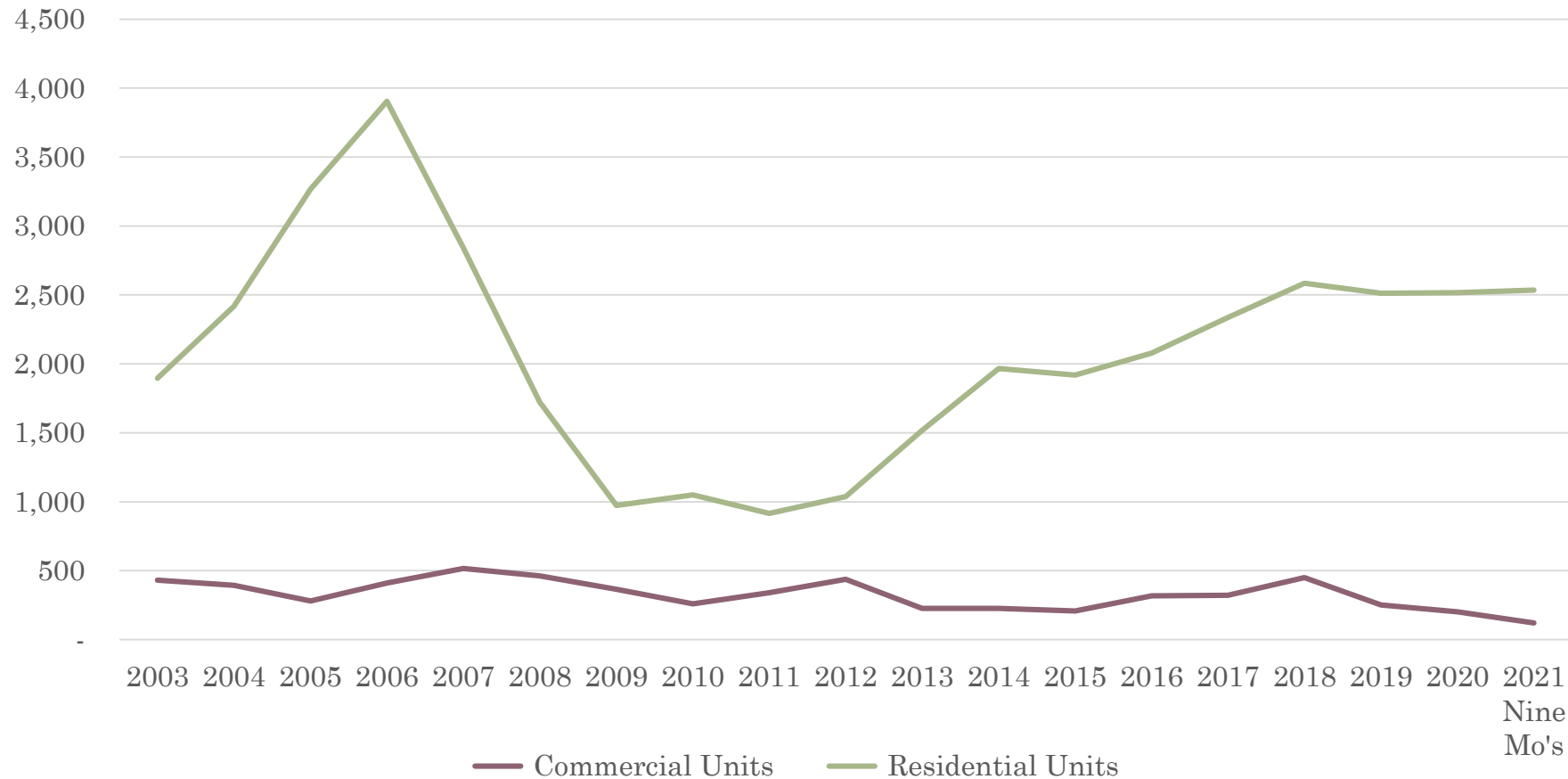
- **No Recommended Property Tax Rate Increase**
- Meet Needs Of Growing County
- Affordable Advanced Water Treatment
- Provide For 2016 School Bond Debt Service
- Supports Education
- Employee Retention & Recruitment
 - Merit Pay
 - Maintain Competitive Employee Benefits
 - Classification And Total Compensation Study
- Staff & Equipment To Protect First Responders & The Public
- Support For Mental Health And Substance Abuse
- Continued support for Economic Development

Overview of General Government Draft Recommended Budget

County Population Update

- U.S. Census Bureau Estimate 2019 – 142,820 (Note: 2020 has not been published)
- +4.3% or 5,940 people from 2018 to 2019
- +32.9% or 35,391 people from 2010 to 2019
- +46.9% or 34,308 people from 2000 to 2010
- +93.7% or 69,103 people from 2000 to 2019
- Ranked #1 NC % Population Growth and #4 NC Numeric Population Growth
- Ranked #13 US County Growth overall and #7 US County Growth > 10,000 County Population
- Included in Myrtle-Beach MSA, Second Fastest Growing Metro Area in US at 3.3%

Countywide Construction Permits



Note: In 2019, permit counts for improvements and remodels were eliminated. Prior Years have not been restated.

Total General Fund - Revenue

FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Projection	FY 2022 Draft Recommended
\$192.3 Million	\$205.1 Million	\$231.6 Million	\$233.1 Million	\$223.8 Million

Overview Draft Recommended Budget compared to FY 2021 Approved

- Total General Fund Revenues increase \$18.2 Million or 8.9%
- General Revenues – Major Revenue Categories:
 - Projected Increase in Ad Valorem (Property Tax) FY 22 Collections - \$4.5 Million or 3.1% due to growth, improved collections and a tax rate at 48.5 cents. Per school funding agreement, after debt service of \$13.0 Million, the schools receive an additional \$1.5 Million or 3.1% operating increase.
 - Local Option Sales Tax - \$10.3 Million or 48.0% increase because of a conservative budgeting approach in the prior year due to uncertainty from the pandemic (schools receive \$2.5 Million of the increase per statute).

Tax Valuation

	FY 2021 Budget	FY 2022 Projected	Estimated Change
Total Valuation Estimate	\$29.75 Billion	\$30.64 Billion	\$0.89 Billion
Total Tax Revenue Generated (Collection Rates Applied)	\$141.41 Million	\$145.90 Million	\$4.49 Million
Value of 1 Cent on Tax Rate	\$2,915,719	\$3,008,261	\$92,542

- 2.89% Increase in Tax Value
- Next Revaluation January 2023 effective for FY 2024
- 100% Collection Rate for Motor Vehicles
- 98.10% Projected Collection Rate for Real Property
- 3.17% Increase in Tax Revenue

Total General Government Departmental Budgets

FY 2021 Approved	FY 2022 Requested	FY 2022 Recommended	FY 22 \$ Inc. Over FY 21	FY 22 % Inc. Over FY 21
\$13.6 Million	\$15.1 Million	\$14.8 Million	\$1.2 Million	8.9%

Highlights of DRAFT Recommended Budget Changes

- Administration – \$170k increase for full year Deputy County Manager position approved in FY21 with an offsetting decrease for the separation of the Communications budget of \$247k
- Finance – Increases \$107k for current software license and support plus new vendor verification software and \$65k for full year Fiscal Technician II position approved in FY21
- Board of Elections – \$90k increase in temporary salaries, \$74k increase for printing and postage for municipal and primary elections

Total Central Services Departmental Budgets

FY 2021 Approved	FY 2022 Requested	FY 2022 Recommended	FY 22 \$ Inc. Over FY 21	FY 22 % Inc. Over FY 21
\$17.9 Million	\$20.7 Million	\$19.3 Million	\$1.4 Million	7.8%

Highlights of DRAFT Recommended Budget Changes

- Information Technology – Increases \$165k for Programmer I and Security Specialist positions, \$242k for computer software licenses and support, \$121k for contract services mainly for additional security, \$87k for new and replacement computers
- Fleet Services - \$180k increase for motor fuels
- Operation Services – Additional costs for Custodial Assistant I \$40k, Excavator w/attachments \$140k, Skid steer w/attachments \$66k, 2 Replacement service trucks \$54k, Replace 1 ton van \$33k, electricity \$150k, Repairs and maintenance to include flooring/carpet replacement at the SSB library and EMS Headquarters and parking lot lighting upgrades \$392k

Total Public Safety Departmental Budgets

FY 2021 Approved	FY 2022 Requested	FY 2022 Recommended	FY 22 \$ Inc. Over FY 21	FY 22 % Inc. Over FY 21
\$49.2 Million	\$60.4 Million	\$55.1 Million	\$5.9 Million	11.9%

Highlights of DRAFT Recommended Budget Changes

- Sheriff's Office – Building M data storage \$41k, Matrices 3000 drone \$32k, Other equipment and improvements \$140k, 30 Replacement vehicles \$984k, \$110k increase in motor fuels and \$400k full year impact of 6 positions approved in FY 21
- Detention Center – Equipment and improvements \$71k, 2 Replacement vehicles \$117k, \$71k for inmate medical, \$40k for body cam replacement agreement and the full year impact of the Juvenile Detention Program expenditures with offsetting reimbursement revenues
- Central Communications – Two Telecommunicator I positions \$102k, 25 Replacement radios \$187k, Radio analyzer system \$27k and a \$26k increase in telephone
- Sheriff's Animal Protective Services – Exterior improvements \$15k and Replacement van \$35k

Total Public Safety

Departmental Budgets-continued

Highlights of DRAFT Recommended Budget Changes

- Emergency Management Services – \$77k in equipment, \$60k for an additional quick response vehicle, \$79k for school shelters generator standby contract, \$40k for rent of building for equipment and supplies
- Emergency Medical Services – Two Paramedics and two EMT Intermediate positions \$230k for 24 hour shift, \$840k for 3 new ambulances, \$200k for Leland base expansion, \$188k for replacement radios, \$160k for CPR devices, \$211k for other emergency and safety equipment, \$60k for a replacement supervisor SUV and \$35k for an additional cargo van, \$50k increase for medical supplies
- Building Inspections and Central Permitting – Increases for Floodplain Technician and Permitting Technician positions \$112k and \$43k for an additional vehicle
- Fire Inspections - \$12k for a drone

Total Transportation Departmental Budgets

FY 2021 Approved	FY 2022 Requested	FY 2022 Recommended	FY 22 \$ Inc. Over FY 21	FY 22 % Inc. Over FY 21
\$138,500	\$170,000	\$161,000	\$22,500	16.2%

Highlights of DRAFT Recommended Budget Changes

- No Proposed Changes to Cape Fear Regional; continued support for grant funded airport projects
- \$23k Increase Odell Williamson Muni Airport for improved aviation services to assist in the efforts to purchase approximately 15 acres of property for the construction of a parallel taxiway and additional hangers

Total Environmental Protection Departmental Budgets

FY 2021 Approved	FY 2022 Requested	FY 2022 Recommended	FY 22 \$ Inc. Over FY 21	FY 22 % Inc. Over FY 21
\$18.3 Million	\$19.3 Million	\$19.3 Million	\$0.9 Million	5.0%

Highlights of DRAFT Recommended Budget Changes

- Solid Waste - Curbside garbage collection increase of 16 cent per can for CPI & growth of new service addresses \$741k, increase in construction & demolition contract hauling \$113k, \$9k for an excavator bucket and \$28k for a replacement ½ ton truck
- Forestry – Increase \$13k to support state contracted service \$270k

Total Economic Development Departmental Budgets

FY 2021 Approved	FY 2022 Requested	FY 2022 Recommended	FY 22 \$ Inc. Over FY 21	FY 22 % Inc. Over FY 21
\$7.6 Million	\$8.8 Million	\$8.5 Million	\$0.9 Million	12.0%

Highlights of DRAFT Recommended Budget Changes

- Community Enforcement – \$32k replacement truck
- Planning – \$96k increase for new software purchase and implementation
- Brunswick Occupancy Tax – Increase \$750k in the revenue transfer to the Tourism Development Authority of \$1.8 million for a 68% increase due to uncertainty in the prior year pandemic estimates.
- Cooperative Extension – \$90k for training center and demonstration kitchen improvements
- Soil and Water – Includes a \$28k replacement truck
- Brunswick BID – \$50k increase in appropriation to \$475k
- Reserve for Shoreline Protection – Continue Annual Reserve Contribution \$200k

Total Public Housing Budgets -County Funding

FY 2021 Approved	FY 2022 Requested	FY 2022 Recommended	FY 22 \$ Inc. Over FY 21	FY 22 % Inc. Over FY 21
\$58,178	\$71,521	\$70,446	\$12,268	21.1%

Highlights of DRAFT Recommended Budget Changes

- Consistent operations from prior year

Total Health Services Budgets -County Funding

FY 2021 Approved	FY 2022 Requested	FY 2022 Recommended	FY 22 \$ Inc. Over FY 21	FY 22 % Inc. Over FY 21
\$4.5 Million	\$5.4 Million	\$4.8 Million	\$0.3 Million	7.5%

Highlights of DRAFT Recommended Budget Changes

- Trillium – \$250k for substance abuse and mental health
- Healing Place – \$39k for 3 month for 10 beds based on completion date of new facility
- Family Health – \$133k for building repair and projects
- Environmental Health – \$17k for ground penetrating radar

Total Social Services Budgets -County Funding

FY 2021 Approved	FY 2022 Requested	FY 2022 Recommended	FY 22 \$ Inc. Over FY 21	FY 22 % Inc. Over FY 21
\$7.0 Million	\$8.1 Million	\$7.8 Million	\$0.8 Million	11.5%

Highlights of DRAFT Recommended Budget Changes

- Two full time positions \$144k (50% state funded) – Social Work Supervisor, Program Specialist IMC Family/Child MA
- \$150k for 6 additional small SUVs (50% state funded)
- \$27k for file room renovation for additional office space and \$5k for vault area repairs (50% state funded)
- \$50k for Brunswick Partnership for Housing (BPH) funds for homeless coalition initiative
- Continued support for contracted services: \$152k for Brunswick Family Assistance, \$90k Hope Harbor, \$35k Coastal Horizon, \$35k Providence Home, and \$50k Brunswick Housing Opportunity

Total Human Services Departmental Budgets - All Funding Sources

FY 2021 Approved	FY 2022 Requested	FY 2022 Recommended	FY 22 \$ Inc. Over FY 21	FY 22 % Inc. Over FY 21
\$27.5 Million	\$30.9 Million	\$29.2 Million	\$1.6 Million	6.0%

Other Human Services

Highlights of DRAFT Recommended Budget Changes

- Brunswick Senior Resources – Total County Support \$2.9 million; Increase \$175k or 6.5%

Total Education -County Funding

FY 2021 Approved	FY 2022 Requested	FY 2022 Recommended	FY 22 \$ Inc. Over FY 21	FY 22 % Inc. Over FY 21
\$51.7 Million	\$53.7 Million	\$53.4 Million	\$1.7 Million	3.3%

Highlights of DRAFT Recommended Budget Changes

- Brunswick County Schools – Per funding agreement \$48.5 Million; increase of \$1.5 Million or 3.1%
- Brunswick Community College - \$4.1 Million operating budget increasing \$99k; \$441k for major Capital Outlay/Repair & Maintenance increasing \$146k to include a new locker room for baseball players at the field \$85k, Building E - new roof \$124k, Leland - asphalt resurfacing - front area \$45k and Fitness and Aquatics - new rooftop unit 4C \$36k
- Brunswick Foundation Guarantee Scholarship Program - \$350k, no increase

Overview of Public Schools

	FY 2021	FY 2022 Projection	Estimated Change
Current Expenditures (35.75% of County Ad Valorem After Subtracting General Government Debt Service)	\$46.1 Million	\$47.5 Million	\$1.4 Million
Categories 2 (Furniture, Fixtures, Equipment) & 3 (Rolling Stock Capital Outlay) (0.75% of County Ad Valorem After Subtracting General Government Debt Service)	\$967,060	\$996,991	\$29,931

Overview of Brunswick Community College

	FY 2021	FY 2022 Projection	Estimated Change
Operating	\$3,988,757	\$4,088,054	\$99,297
Capital Outlay	\$295,343	\$441,500	\$146,157
Brunswick Guarantee Program - Foundation	\$350,000	\$350,000	\$-
Total	\$4,634,100	\$4,879,554	\$245,454

Total Culture & Recreation Departmental Budgets

FY 2021 Approved	FY 2022 Requested	FY 2022 Recommended	FY 22 \$ Inc. Over FY 21	FY 22 % Inc. Over FY 21
\$4.6 Million	\$5.7 Million	\$5.4 Million	\$0.8 Million	18.1%

Highlights of DRAFT Recommended Budget Changes

- Library – Additional Library Assistant 46k
- Parks and Recreation:
 - Administration – \$245k for Shallotte Park asphalt and lighting, \$18k for Shallotte Park gazebo, \$240k for Cedar Grove playground, \$36k for replacement 15 passenger van, \$30k for replacement truck
 - Maintenance - \$42k for 2 mowers, \$36k for other equipment, \$30k for replacement truck

Total General Government Debt Service

FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Projection	FY 2022 Draft Recommended
\$14.0 Million	\$13.5 Million	\$18.6 Million	\$15.6 Million	\$15.9 Million 2.5% Increase

Overview Draft Recommended Budget compared to FY 2021 Approved

- Existing School GO Bond Debt paid substantially in FY 2021 reducing debt service in FY 2022 and Satisfied Completely in FY 2023
- School 2016 General Obligation Bond Referendum:
 - Phase 1 - \$52.95M Issued June 2018, Debt Service Payments Began in fiscal year 2020
 - Phase 2 - \$47.55M Issue June 2020, Debt Service Payments to Begin in fiscal year 2022 adding \$4.4M
 - Phase 3 - \$51.5M Issue June/July 2022, Debt Service Payments to Begin in fiscal year 2023 adding an estimated \$5.3M in fiscal year 2024

Note: Debt Service Policy is 10 to 13% of Total Expenditures. Fiscal Year 2022 Recommendation is 7.2%.

Total General Fund - Expenditure

FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Projection	FY 2022 Draft Recommended
\$173.3 Million	\$195.1 Million	\$200.5 Million	\$210.7 Million	\$221.0 Million

	FY 2021 Approved	FY 2022 DRAFT Recommend	\$ Change	% Change
Salaries (w/ Overtime)	\$54,196,271	\$58,274,621	\$4,078,350	7.5%
Fringe Benefits	\$27,500,874	\$29,641,940	\$2,141,066	7.8%
Operating Costs	\$105,983,444	\$112,233,562	\$6,250,118	5.9%
Capital Outlay	\$2,845,832	\$4,882,433	\$2,036,601	71.6%
Debt Service	\$15,550,908	\$15,946,877	\$395,969	2.5%
Total	\$206,077,329	\$220,979,433	\$14,902,104	7.2%

Total General Government Transfers to Other Funds

FY 2021 Approved	FY 2022 Requested	FY 2022 Recommended	FY 22 \$ Inc. Over FY 21	FY 22 % Inc. Over FY 21
\$3.8 Million	\$6.5 Million	\$6.9 Million	\$3.1 Million	82.5%

Overview Draft Recommended Budget compared to FY 2021 Approved

- \$6.3 million statutory and contract requirement to schools
- \$548k pay go capital transfers for the remaining estimated \$48k funding needs for the Solid Waste Transfer Station \$5.8 million project and \$500k for improvements at Smithville Park

Total General Government Budgetary Uses

FY 2021 Approved	FY 2022 Requested	FY 2022 Recommended	FY 22 \$ Dec. Under FY 21	FY 22 % Dec. Under FY 21
\$4.2 Million	\$15.9 Million	\$4.1 Million	(\$0.2 Million)	(3.8%)

Overview Draft Recommended Budget compared to FY 2021 Approved

- Holden Beach funded debt service default provision agreement - \$1.3 Million
- Fund balance appropriation \$2.7M – (fund balance appropriation for non-recurring expenditures)

Employee Retention & Recruitment

Pay per Performance (Merit)	General Fund	Enterprise Fund	Total
Number of Employees	974	153	1,127
December 2020 CPI Index/pay scale adjustment @ 1.5%. (Includes overtime and benefits.)	\$1,003,200	\$161,800	\$1,165,000
Budgeted 2.00% merit for employees performing at or above satisfactory. (Individual merit dependent on overall performance. Merit range from .25% to 3.35%.)	\$2,002,300	\$323,600	\$2,325,900
Budget Impact	\$3,005,500	\$485,400	\$3,490,900

Note: \$100k Funding Recommended for a Classification and Pay Study (Market analysis will include the total pay package inclusive of salary plus benefits)

— BREAK —

Preliminary General Fund Capital Improvement Plan

Preliminary General Fund CIP

County Capital Improvement Plan-Projects	Prior 2022	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Totals	On the Horizon
<u>Environmental Protection</u>								
Transfer Station	\$ 337,000	\$ 5,417,380	\$ -	\$ -	\$ -	\$ -	\$ 5,754,380	\$ -
C&D Landfill Closure	-	150,000	9,938,656	-	-	-	10,088,656	-
Total Environmental Protection	337,000	5,567,380	9,938,656	-	-	-	15,843,036	-
<u>Culture & Recreation</u>								
Waccamaw Multiuse Facility Building	316,800	-	4,900,000	-	-	-	5,216,800	-
Smithville Park	-	500,000	500,000	-	-	-	1,000,000	2,000,000
Brunswick Waterway Park	-	-	-	-	-	-	-	900,000
Leland Park Renovations	-	-	-	-	-	-	-	1,200,000
Lockwood Folly Park Facilities	-	-	-	-	-	-	-	3,500,000
Cedar Grove Park Phase 2	-	-	-	-	-	-	-	5,120,000
Shallotte Park (potential relocation)	-	-	-	-	-	-	-	6,200,000
Northwest District Park	-	-	-	-	-	-	-	10,425,000
Coastal Events Center/County Fairgrounds	-	-	-	-	-	-	-	1,000,000
Total Culture & Recreation	316,800	500,000	5,400,000	-	-	-	6,216,800	30,345,000

Preliminary General Fund CIP (continued)

County Capital Improvement Plan-Projects	Prior 2022	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Totals	On the Horizon
<u>Public Safety</u>								
Fire Services Training Center	-	-	-	-	-	-	-	3,200,000
Detention Center Phase 3	-	-	-	-	-	-	-	8,250,000
Total Public Safety	-	-	-	-	-	-	-	11,450,000
<u>General Government</u>								
Courthouse Renovations	13,671,860	-	-	-	-	-	13,671,860	-
Complex Buildngs & Renovation	-	-	10,000,000	-	-	-	10,000,000	15,000,000
Total General Government	13,671,860	-	10,000,000	-	-	-	23,671,860	15,000,000
Total County Capital Improvement Plan	\$ 14,325,660	\$ 6,067,380	\$ 25,338,656	\$ -	\$ -	\$ -	\$ 45,731,696	\$ 56,795,000
<u>County Capital Improvement Plan-Sources</u>								
Capital Reserve	\$ 14,325,660	\$ 5,519,639	\$ 19,784,355	\$ -	\$ -	\$ -	\$ 39,629,654	\$ -
To be Determined	-	-	-	-	-	-	-	56,795,000
Pay-Go	-	547,741	5,554,301	-	-	-	6,102,042	-
Total County Capital Improvement Plan Sources	\$ 14,325,660	\$ 6,067,380	\$ 25,338,656	\$ -	\$ -	\$ -	\$ 45,731,696	\$ 56,795,000

Brunswick County Schools Capital Plan

Dr. Jerry L. Oates, Superintendent of Schools

BRUNSWICK COUNTY
CAPITAL IMPROVEMENT PLAN

Education Capital Improvement Plan-Projects	Prior to FY 2022	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Totals
Annual Capital Outlay Budget for Categories 1, 2 and 3	\$ 3,891,227	\$ 4,000,000	\$ 3,500,000	\$ 3,587,500	\$ 3,677,188	\$ 3,769,117	\$ 22,425,031
Annual Technology Projects	1,900,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	10,400,000
Astroturf Replacement Cycle set-aside (year 2)	82,500	82,500	82,500	82,500	82,500	82,500	495,000
New Town Creek Middle School	27,000,000	-	-	-	-	-	27,000,000
Lincoln Elementary 6 Classroom Addition	4,000,000	-	-	-	-	-	4,000,000
Town Creek Elementary School 6 Classroom Addition	2,740,000	-	-	-	-	-	2,740,000
West Brunswick High School 12 Classroom Addition	6,379,000	-	-	-	-	-	6,379,000
North Brunswick High School 12 Classroom Addition	7,125,000	-	-	-	-	-	7,125,000
Waccamaw School K-2 Building Replacement	4,922,484	-	-	-	-	-	4,922,484
Design Work for Bond Issue projects - Advance on GO Funds	4,893,076	-	-	-	-	-	4,893,076
New Early College High School		1,500,000	22,200,000	-	-	-	23,700,000
Advance on Bond Issue 3 Projects		1,000,000					1,000,000
Addition to North Brunswick High School		1,000,000	9,000,000				10,000,000
District Wide Athletic, Interior and Exterior Building Improvements	46,403,280	-	29,300,783	-	-	-	75,704,063
Total Education Capital Improvement Plan	\$ 109,336,567	\$ 9,282,500	\$ 65,783,283	\$ 5,370,000	\$ 5,459,688	\$ 5,551,617	\$ 200,783,654

Education Capital Improvement Plan-Sources							
Article 40 and 42 Sales Tax Legislated for k-12 Schools	\$ 2,971,549	\$ 5,126,907	\$ 5,431,065	\$ 4,322,537	\$ 4,386,037	\$ 4,451,125	\$ 26,689,220
Ad Valorem Designated for k-12 School Capital Outlay	967,060	996,991	1,021,916	1,047,464	1,073,650	1,100,492	6,207,572
Ad Valorem Reserve Contingency	6,398,741	658,602	7,829,519	-	-	-	14,886,862
BOE Debt Proceeds (Bond Referendum 2016)	98,999,217	2,500,000	51,500,783	-	-	-	153,000,000
Total Education Capital Improvement Plan Sources	\$ 109,336,567	\$ 9,282,500	\$ 65,783,283	\$ 5,370,000	\$ 5,459,688	\$ 5,551,617	\$ 200,783,654

LUNCH

Overview of Enterprise Preliminary Recommended Budget

Total Water Fund - Revenue

FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Projection	FY 2022 Draft Recommended
\$25.1 Million	\$25.6 Million	\$30.8 Million	\$27.6 Million	\$30.0 Million

Overview Draft Recommended Budget compared to FY 2021 Approved

- Total Water Fund revenues increased \$5.8 Million or 23.9% due to growth and the rate increase effective January 1, 2022 to cover the additional debt service that begins for the Raw Water Main and the Northwest Plant expansion with Low Pressure Reverse Osmosis, decreases in Wholesale and Industrial revenues, and a rate increase in raw water purchases from Lower Cape Fear Water and Sewer Authority (LCFWSA)

Total Water Fund - Expenditure

FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Projection	FY 2022 Draft Recommended
\$18.9 Million	\$21.7 Million	\$23.8 Million	\$23.2 Million	\$24.4 Million
	FY 2021 Approved	FY 2022 DRAFT Recommend	\$ Change	% Change
Salaries (w/ Overtime)	\$5,687,569	\$5,731,502	\$43,933	0.8%
Fringe Benefits	\$2,642,851	\$2,752,959	\$110,108	4.2%
Operating Costs	\$7,912,534	\$8,306,276	\$393,742	5.0%
Rep. and Maint.	\$3,002,100	\$2,920,143	(\$81,957)	(2.7%)
Capital Outlay	\$1,003,500	\$1,556,500	\$553,000	55.1%
Debt Service	\$2,216,815	\$3,174,741	\$957,926	43.2%
Total	\$22,465,369	\$24,442,121	\$1,976,752	8.8%

Note: Pay Go Project Transfer per CIP is \$510,000

Water Fund – Retail Customers

Fiscal Year End	Number of Customers	Annual Growth
2016	38,072	960
2017	39,511	1,439
2018	40,913	1,402
2019	42,292	1,379
2020	43,773	1,481
Projected 2021	46,004	2,231
Projected 2022	47,204	1,400
Projected 2023	48,304	1,300
Projected 2024	49,404	1,200
Projected 2025	50,404	1,100

Note: In 2016 acquired 650 Caswell Beach customers; 2020 acquired 343 City of Northwest customers; 2021 acquired 417 Town of Navassa customers

Total Sewer Fund - Revenue

FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Projection	FY 2022 Draft Recommended
\$29.3 Million	\$29.7 Million	\$31.7 Million	\$34.6 Million	\$28.5 Million

Overview Draft Recommended Budget compared to FY 2021 Approved

- Total Sewer Fund revenues increased \$1.2 Million or 4.5% due to growth

Total Sewer Fund - Expenditure

FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Projection	FY 2022 Draft Recommended
\$25.4 Million	\$27.3 Million	\$29.6 Million	\$32.0 Million	\$30.5 Million
	FY 2021 Approved	FY 2022 DRAFT Recommend	\$ Change	% Change
Salaries (w/ Overtime)	\$3,040,169	\$3,395,806	\$355,637	11.7%
Fringe Benefits	\$1,419,905	\$1,557,570	\$137,665	9.7%
Operating Costs	\$4,309,033	\$4,772,678	\$463,645	10.8%
Rep. and Maint.	\$1,857,000	\$2,327,000	\$470,000	25.3%
Capital Outlay	\$3,602,000	\$3,333,000	(\$269,000)	(7.5%)
Debt Service	\$17,015,815	\$15,067,249	(\$1,948,566)	(11.5%)
Total	\$31,243,922	\$30,453,303	(\$790,619)	(2.5%)

**Note: Transfer to Sewer Capital Reserve is \$1.7 compared to Prior Year Approved \$0.6M.
Expendable Net Asset Appropriation is \$3.3M compared to Prior Year Approved \$2.9M**

Sewer Fund – Retail Customers

Fiscal Year End	Number of Customers	Annual Growth
2016	15,220	706
2017	16,204	984
2018	17,213	1,009
2019	18,273	1,060
2020	19,328	1,055
Projected 2021	20,974	1,646
Projected 2022	22,074	1,100
Projected 2023	22,924	850
Projected 2024	23,574	750
Projected 2025	24,224	650

Note: In 2016 acquired 650 Caswell Beach customers, 2018 Carolina Shores SAD completed for 366 properties, 2020 acquired 232 City of Northwest customers and 2021 acquired 350 Town of Navassa customers

Other Future Water and Sewer Considerations not included in the DRAFT Recommended Budget

- Lead and Copper Program Expenditure and Funding Source:
 - EPA's Lead and Copper Rule will require significant effort by utilities for compliance. Program requires identification, customer notification and replacement of lead service lines. Additional resources will be needed through contracted services and/or additional staff. Possible funding sources are any grant funds that may become available or Water user charges.
- Timing of Capital Projects may change as a result of the Water and Sewer Master Plans
- Eligible uses of American Rescue Funds "ARP" for water and sewer infrastructure and programs

Preliminary Enterprise Fund Capital Improvement Plan

Preliminary Water Fund CIP

Water Capital Improvement Plan-Projects	Prior to FY 2022	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Totals	On the Horizon
Shallotte Water Transmission Main	\$ 5,892,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,892,000	\$ -
Utility Operations Center Expansion	590,000	510,000	-	-	-	-	1,100,000	-
Northwest Water Plant Low Pressure Reverse Osmosis Advanced Treatment	167,345,190	-	-	-	-	-	167,345,190	-
54" LCFWSA Parallel Raw Water Main (Cost estimate includes cost sharing with other utilities)	28,683,127	-	-	-	-	-	28,683,127	-
Hwy 74/76 Water - Mintz Dr. to Old Maco	85,000	-	-	-	-	-	85,000	775,000
Southeast Area Improvements	50,550	-	-	-	-	-	50,550	3,410,000
FY16 Top 7 and Apollo Water Mains	1,773,285	-	-	-	-	-	1,773,285	2,435,000
Hwy 74/76 Industrial Park Waterline Extension	1,727,715	-	-	-	-	-	1,727,715	-
Transmission Improvements - NWWTP to Bell Swamp	-	-	2,031,000	-	-	-	2,031,000	23,850,000
NWWTP Raw Water Reservoir	-	-	-	-	-	-	-	22,890,000
Maco Road Water Transmission Improvements	-	-	593,500	4,085,000	-	-	4,678,500	-
Navassa Water System Improvements	-	372,000	1,846,967	-	-	-	2,218,967	-
Hwy 74/76 Industrial Park Tank	-	-	-	-	-	-	-	3,077,000
System Improvement Mains - Neighborhood	-	-	-	-	-	-	-	650,000
Asbestos Cement Pipe Replacement Program	-	-	-	-	-	-	-	950,000
NC 211-Gilbert-Old Lennon Road Improvements	-	-	-	-	-	-	-	1,500,000
Highway 87 Transmission System Improvements	-	-	-	-	-	-	-	6,105,000
Hwy. 211 County Site Water Main Extension	-	-	-	-	-	-	-	760,000
Total Water Capital Improvement Plan	206,146,867	882,000	4,471,467	4,085,000	-	-	215,585,334	66,402,000
Water Capital Improvement Plan-Sources								
Capital Reserve	\$ 10,118,550	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,118,550	\$ -
Debt Proceeds	196,028,317	-	-	-	-	-	196,028,317	-
Grant	-	372,000	1,846,967	-	-	-	2,218,967	-
To be Determined	-	-	593,500	4,085,000	-	-	4,678,500	59,332,000
Pay Go	-	510,000	2,031,000	-	-	-	2,541,000	7,070,000
Total County Capital Improvement Plan Sources	\$ 206,146,867	\$ 882,000	\$ 4,471,467	\$ 4,085,000	\$ -	\$ -	\$ 215,585,334	\$ 66,402,000

Preliminary Sewer Fund CIP

Wastewater Capital Improvement Plan-Projects	Prior to FY 2022	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Totals	On the Horizon
Northeast Brunswick Regional WWTP 2.5 MGD Expansion	\$ 45,714,971	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,714,971	\$ -
Northeast Brunswick Regional East Transmission Main	3,616,997	-	-	-	-	-	3,616,997	-
Northeast Brunswick Regional West Transmission Main	2,891,839	-	-	-	-	-	2,891,839	-
WBRWWTF Plant Expansion - .75 MGD	2,228,499	16,110,382	-	-	-	-	18,338,881	-
Ocean Ridge Reclaimed Water Main	115,800	1,760,200	-	-	-	-	1,876,000	-
Sea Trail WWTP Improvements	147,000	863,000	-	-	-	-	1,010,000	-
Trailwood Drive Force Main Replacement	-	340,000	-	-	-	-	340,000	-
Navassa Sewer Improvements	-	329,000	2,523,818	-	-	-	2,852,818	-
Enterprise Funded Low Pressure Main Extension	-	-	175,000	900,000	175,000	900,000	2,150,000	-
Transmission Main Interconnection and Route Study	-	-	610,000	11,160,000	-	-	11,770,000	-
Transmission Midway Rd to WB Treatment Facility	-	-	-	-	1,235,000	12,520,000	13,755,000	9,540,000
Transmission System Upgrades	-	-	-	116,000	1,158,000	-	1,274,000	-
NC 211 R-5021 NCDOT Utility Relocation	355,955	-	-	-	-	440,728	796,683	-
NC 211 Industrial Park Sewer	-	-	-	-	-	-	-	1,791,000
Angels Trace Force Main Upgrades	-	-	-	-	-	-	-	711,000
Bolivia By-Pass Transmission Force Main	-	-	-	-	-	-	-	9,540,000
Longwood Rd.-Whiteville Rd Force Main	-	-	-	-	-	-	-	9,600,000
Ocean Isle Beach WWTP Expansion	-	-	-	-	-	-	-	40,000,000
Total Wastewater Capital Improvement Plan	\$ 55,071,061	\$ 19,402,582	\$ 3,308,818	\$ 12,176,000	\$ 2,568,000	\$ 13,860,728	\$ 106,387,189	\$ 71,182,000
Wastewater Capital Improvement Plan-Sources								
Capital Reserve	\$ 1,302,180	\$ 1,302,180	\$ -	\$ -	\$ -	\$ -	\$ 1,564,980	\$ -
Debt Proceeds	52,223,807	-	-	-	-	-	52,223,807	-
Grant	-	329,000	2,523,818	-	-	-	2,852,818	-
Other	2,584,454	16,110,382	-	-	-	7,421,119	26,115,955	-
To be Determined	-	-	610,000	11,160,000	1,235,000	5,098,881	18,103,881	71,182,000
Pay-Go	-	1,661,020	175,000	1,016,000	1,333,000	1,340,728	5,525,748	-
Total Wastewater Capital Improvement Plan Sources	\$ 55,071,061	\$ 19,402,582	\$ 3,308,818	\$ 12,176,000	\$ 2,568,000	\$ 13,860,728	\$ 106,387,189	\$ 71,182,000

Rate and Fee Recommendation

Randell Woodruff, County Manager

General Government Fee Changes

Type of Rate or Fee	Current Rate or Fee	Requested Rate or Fee
Solid Waste:		
Mulch for commercial customers	\$ 3.00	Delete
Mulch for residential customers	-	Delete
Screened mulch	na	3.00
Non-screened mulch	na	-
Environmental Health:		
<i>Improvement Permit Application:</i>		
500 Gallons per day or less	\$ 640.00	\$ 515.00
501 - 1000 Gallons per Day	740.00	\$ 615.00
Each additional 500 gallons per day greater than initial fee	740.00	100.00
LSS - Permit issued pursuant to SL 2017-211 and SL 2018-114	-	350.00
<i>Construction Authorization Permit Application:</i>		
To be based on gallons per day rather than system type		
500 gallons per day or less	175.00 - 400.00	300.00
501 - 1000 Gallons per Day	175.00 - 600.00	\$ 400.00
Each additional 500 gallons per day greater than the initial fee	300.00 - 500.00	100.00
Plan Review for systems with a design flow <1000 gallons per day	-	50.00
Plan Review for systems with a design flow >1000 gallons per day	-	125.00
<i>Other Visits/Permits:</i>		
Relocation/existing system check (no upgrade)	250.00	300.00
TIIBB Management Entity Inspection	100.00	-
Type IV Management Entity Inspection	100.00	-
Type V Management Entity Inspection	200.00	-
Type VI Management Entity Inspection	300.00	-
Management Entity Inspection (Gravity distribution sand line trenches are fee exempt), Additional \$25.00 late fee may apply	-	100.00
<i>Water Sample:</i>		
Full Sample Kit (Includes Bacteria, Inorganic Chemical, and Nitrate/Nitrite)	-	150.00
Lead Follow up testing (up to three samples from the location)	-	150.00
<i>Other Inspection Programs:</i>		
Mobile Food Unit/Pushcart, Limited Food Service plan review	-	150.00
Temporary Food Establishment Permit	-	75.00

General Government Fee Changes - Continued

Type of Rate or Fee	Current Rate or Fee	Requested Rate or Fee
Health Administration:		
0001A Immunization administration by intramuscular injection	\$ 25.00	\$ 45.00
0011A Immunization administration by intramuscular injection	25.00	45.00
0002A Immunization administration by intramuscular injection	25.00	45.00
0012A Immunization administration by intramuscular injection	25.00	45.00
90620 Meningococcal recombinant protein	200.00	210.00
90662 Influenza virus vaccine, split virus	60.00	61.00
90670 Pneumococcal conjugate vaccine, 13 valent	210.00	230.00
90675 Rabies vaccine, im	300.00	305.00
90682 Influenza virus vaccine, quadrivalent	60.00	61.00
90686 Influenza virus vaccine, quadrivalent	19.00	20.00
90710 Mmr vaccine, sc	240.00	250.00
90739 Hepatitis B 2 Step	130.00	135.00
90750 Zoster (shingles) vaccine (HZV) recomb	170.00	180.00
J7297 Levonorgestrel IU 52mg 3 yr	780.00	840.00
J7298 Mirena	980.00	1,120.00
J7300 Intraut copper contraceptive	910.00	990.00
J7307 Etonogestrel (contraceptive) implant	1,000.00	1,100.00
0031A Janssen Covid 19 Administration	-	45.00
69209 Remove impacted ear wax, irrigation	-	20.00
80307 Presumptive drug class screening	-	30.00
82952 Glucose - three hour	-	10.00
86480 QuantiFERON TB Gold	-	55.00
90694 FluAD (flu vaccine 65 yrs. and older)	-	61.00
96156 Health Bhv Assess/Re-assess	-	135.00
96158 Health Bhv IVNT J Indiv 1st 30 min	-	95.00
96159 Health Bhv IVNT J Indiv ea addtl	-	35.00
99177 Instrument bases ocular screening	-	20.00
99421 Telemedicine E/M visit 5-10 mins	-	25.00
99422 Telemedicine E/M visit 11-20 mins	-	45.00
99423 Telemedicine E/M visit 21 or more mins	-	70.00
G0270 Med Nutrition therapy: re-assess	-	35.00
G0271 Med Nutrition therapy: re-assess	-	20.00
G2023 Specimen collection for COVID - 19	-	25.00

Water Rate Changes

Effective July 1, 2021

- Change from a minimum usage charge to a minimum usage gallons for a 6" retail meter, 4" – 12" Industrial meter, and 6" – 12" Wholesale meter
- Meter Fee Changes:
 - Removal of 1 ½" Meter Installation and Tap fee
 - Addition of a 2" Meter Installation only where tap fee is already paid or installed at \$1,650
- Hydrant Bulk Water Sales:
 - Base Service Charge (Includes up to 10,000 gallons per month usage) from \$0 to \$80
 - Placard Deposit (Returned with return of placard. Placard must be displayed to avoid penalty fee.) from \$0 to \$500
 - All usage over 10,000 gallons per month (/1000-gallons) from \$4 to \$6
 - Unauthorized hydrant water withdrawal - (Placard not displayed or Inactive Account) from \$0 to \$200 plus estimated usage

Water Rate Changes - Continued

Effective January 1, 2022 (Per Water Rate Study)

Retail:

- Increase water base monthly service charge \$4.00 per month for all retail meter sizes
- Blocks 1 & 2 change by 1 gallon for retail meters 4" or less
- Volumetric blocks (tiered) rate increases are the same for all meter sizes (Note: within the block, volume ranges are greater in higher tiers for larger meters sizes from 2" – 6")
 - Block 1: from \$2.85 to \$4.15 per 1,000 gallons
 - Block 2: from \$3.30 to \$4.80 per 1,000 gallons
 - Block 3: from \$3.85 to \$5.70 per 1,000 gallons

Irrigation:

- Implement \$5.00 monthly Irrigation base service charge to allocate additional costs associated with billing, ongoing repair and maintenance, meter replacement costs, meter reading network, capacity of meter
- Volumetric blocks (tiered) rate increases are the same for Residential and Commercial/Multi-Family
 - Block 1: from \$3.30 to \$4.80 per 1,000 gallons
 - Block 2: from \$4.30 to \$6.20 per 1,000 gallons
 - Block 3: from \$5.70 to \$8.30 per 1,000 gallons

Water Rate Changes - Continued

Effective January 1, 2022 (Per Water Rate Study/Cost of Service)

Industrial:

- Increase water base monthly service charge \$4.00 per month for all Industrial meter sizes
- Recommend to Increase Industrial Rate from annual practice of PPI determined rates currently \$2.89 to the AWWA-M-1 Manual cash needs determined rate of \$4.35 per 1,000 gallons

Wholesale:

- Increase water base monthly service charge \$4.00 per month for all Industrial meter sizes
- Recommend to Increase Industrial Rate from annual practice of PPI determined rates currently \$2.89 to the AWWA-M-1 Manual cash needs determined rate of \$5.25 per 1,000 gallons

Other Discussion

Next Steps

May 17, 6:00 PM - Presentation of Recommended Budget

June 7, 1:00 PM – Board Budget Workshop (If Needed)

June 21, 6:00 PM – Public Hearing Regarding Budget,
Adoption of Budget Ordinance, Capital
Improvement Plan & Fees for FY 2022