

Recommended Budget

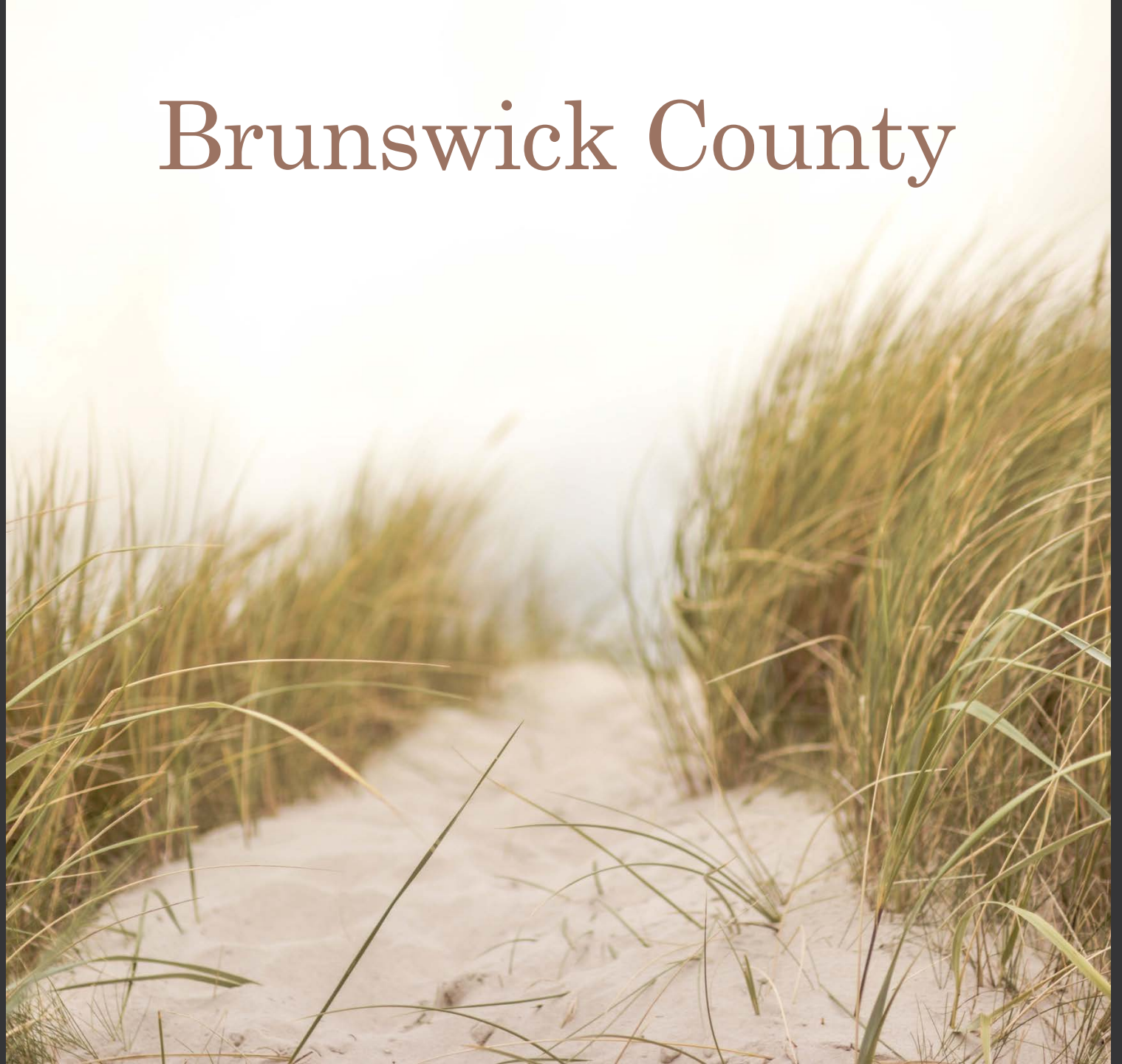
Fiscal Year 2022

Randell Woodruff

County Manager

May 17, 2021

Brunswick County



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

Budget Principles

- ✓ Conservative revenue and expenditure projections
- ✓ Preserve reserves to maintain bond rating and provide flexibility to respond to changing circumstances/ opportunities
- ✓ Maintain low property tax rate

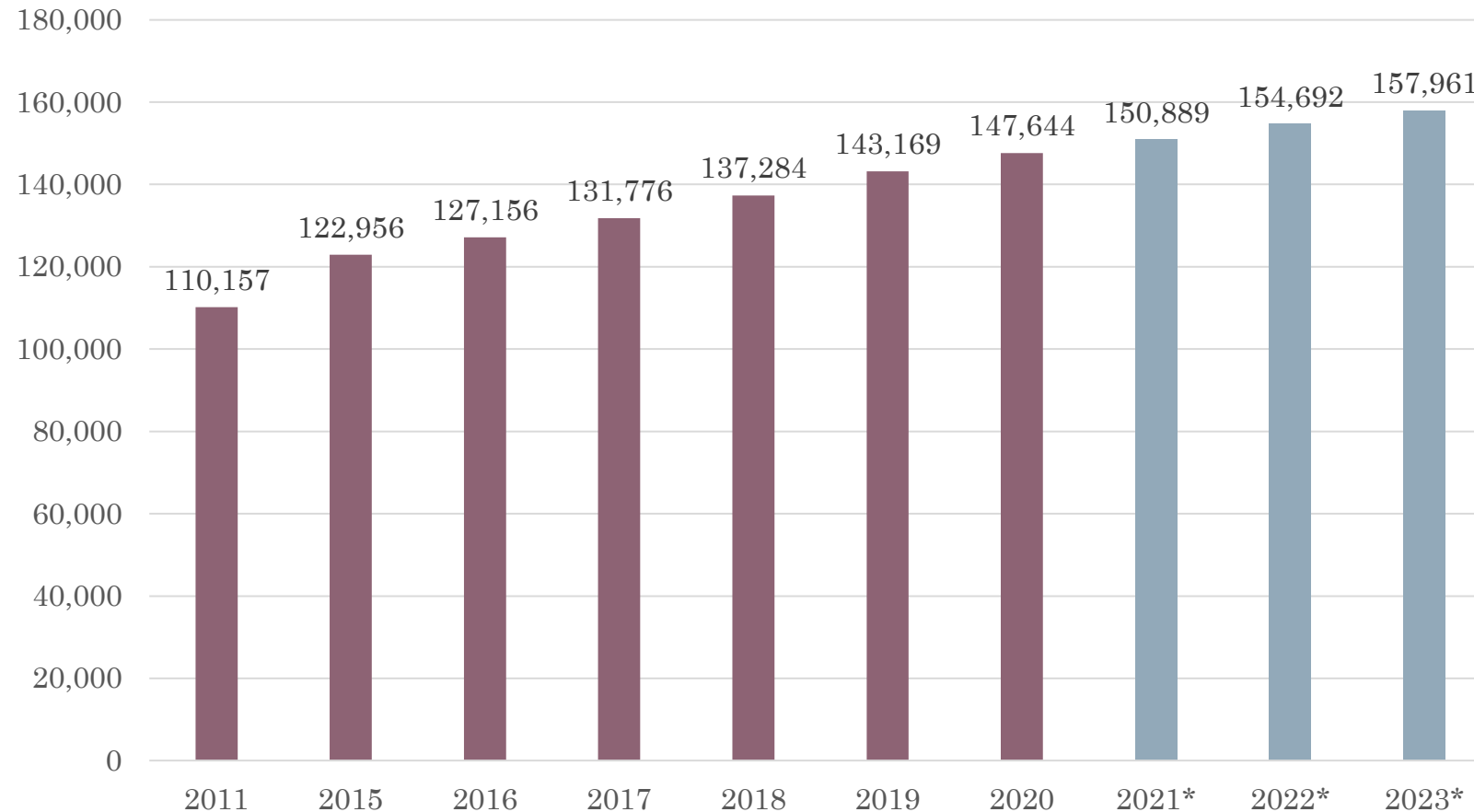
Key Focus Areas

- **Employee Retention, Recruitment and Succession Planning**
 - Scale adjustment 1.5%
 - Market adjustment 1.5% to employees who are satisfactory performers
 - Additional .75% to 1.90% merit to employees who are satisfactory performers
 - Additional 2.06% to 3.20% merit to employees who are high performers
 - Additional 3.37% to 4.35% merit to the County's highest performers
 - No reduction of benefits
 - Funding for a Classification and Total Compensation Study
- **Meet the Needs of a Growing County with Diverse Demographics**
 - Increase of 3.1% per the funding agreement with Brunswick County Schools for the operating budget resulting from growth in ad valorem taxes
 - Increase of 3.7% to Brunswick Community College to support existing programs and \$350,000 for the Foundation Grant providing tuition assistance
 - Increase of 6.5% to Brunswick Senior Resources for program support for 5 district senior centers
 - Continue the County's commitment of \$200,000 per year to the reserve for shoreline protection
 - Added 22 new positions:
 - Social Work Supervisor and Program Specialist to meet state guidelines with funding grant reimbursements provided
 - 2 call taker positions in Central Communications for staffing and rotation schedule
 - Building Inspector, Fire Inspector, Floodplain Administrator, and a Permitting Tech to meet the demands in Code Administration
 - 4 Paramedics to increase service to 24 hour
 - Additional IT Programmer and Security Specialist
 - Custodial Assistant for increased workloads
 - Additional Library Assistant
 - 6 positions in Utilities for Meter Reader, Safety Officer, Collections Mechanic, Utilities Foreman, Wastewater Operator, and Maintenance Mechanic
 - Continued funding for technology/computer software support and increased cybersecurity
 - Provide employees training, resources, and equipment to facilitate high service levels to citizens

FY 2021-22 Recommended Budget

- 291.5 million all funds
- Recommending no change in the property tax rate of 48.50 cents

Population Growth

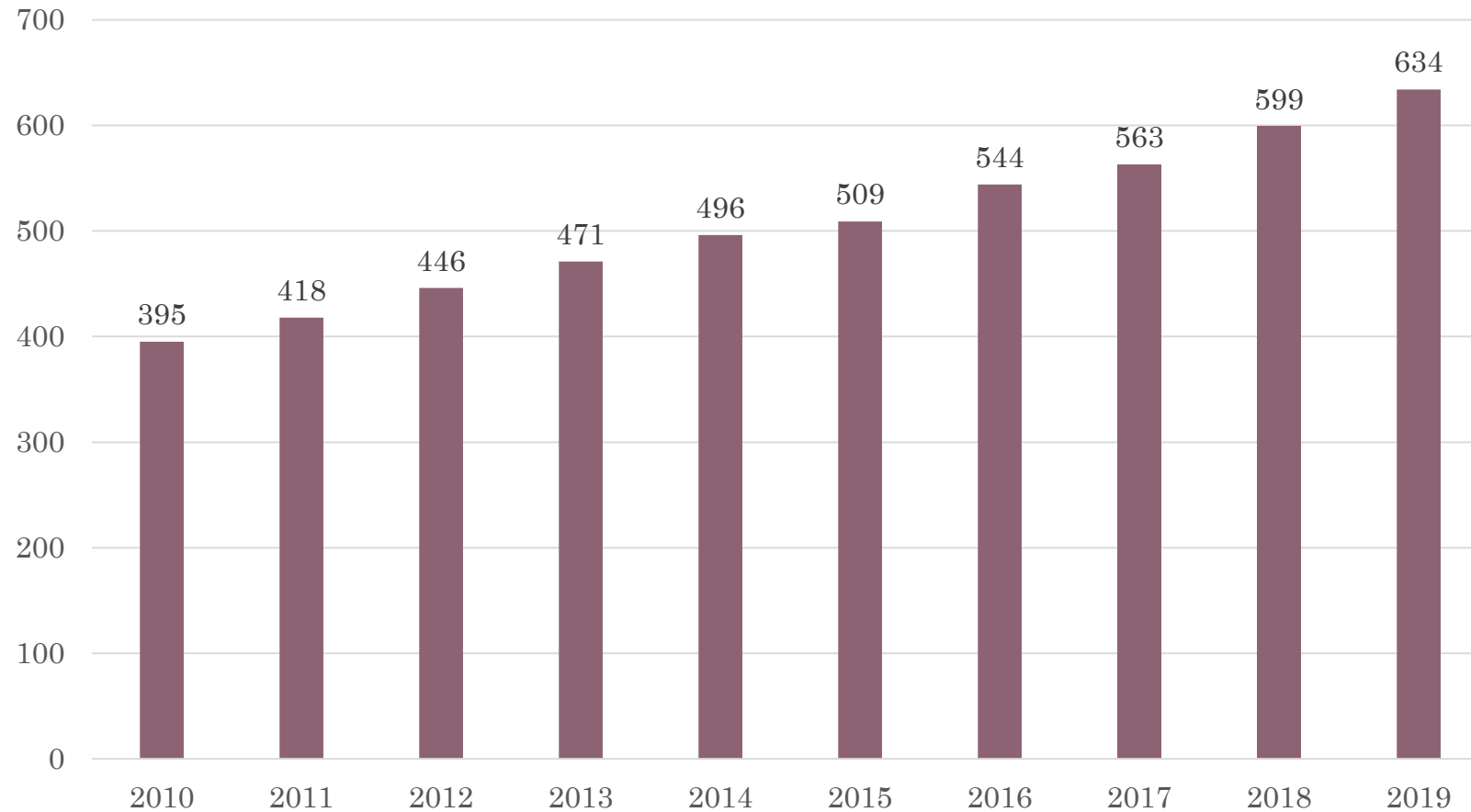


- Population Growth in 2019:
 - Ranked #1 NC % Population Growth
 - Ranked #4 NC Numeric Population Growth
 - Ranked #13 US County Growth
 - Ranked #7 County Growth > 10,000 County Population
 - Included in Myrtle Beach MSA, 2nd Fastest Growing Metro Area in US at 3.3%

Source: US Census Bureau; NC Office of State Budget and Management

*Projected

Visitor Spending

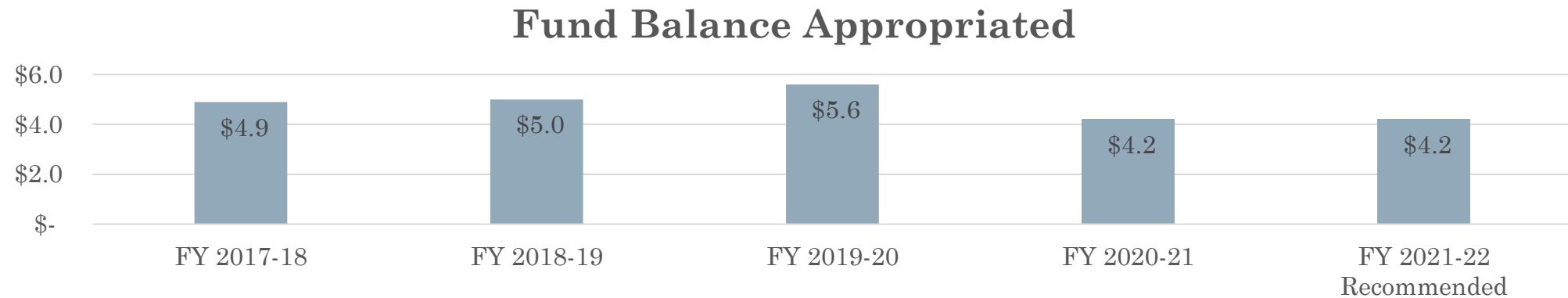
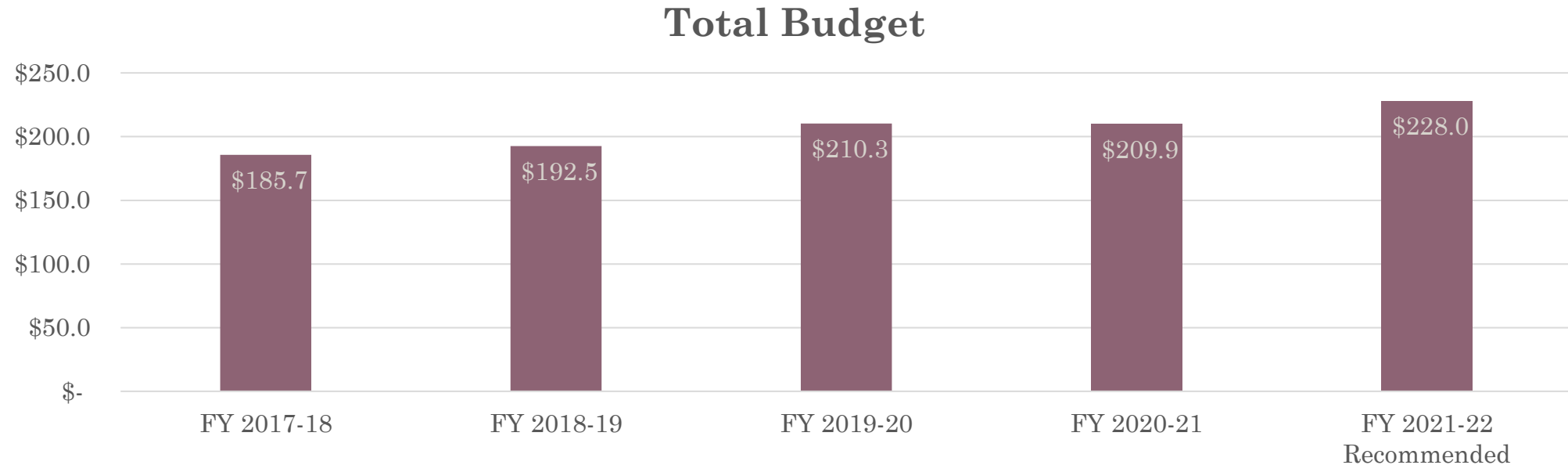


- Visitor Spending in 2019:
 - Up 5.8%
 - County ranks 9th among 100 in spending
 - More than 6,000 tourism-related jobs up 1.6%
 - Population rises over 350,000 during tourism season, peaking on the July 4th week

Source: Economic Impact of Travel on North Carolina Counties study prepared for the NC Division of Tourism, Film and Sports Development by the US Travel Association

Reported September 2020

Recent General Fund Approved Budgets and Fund Balance Appropriated

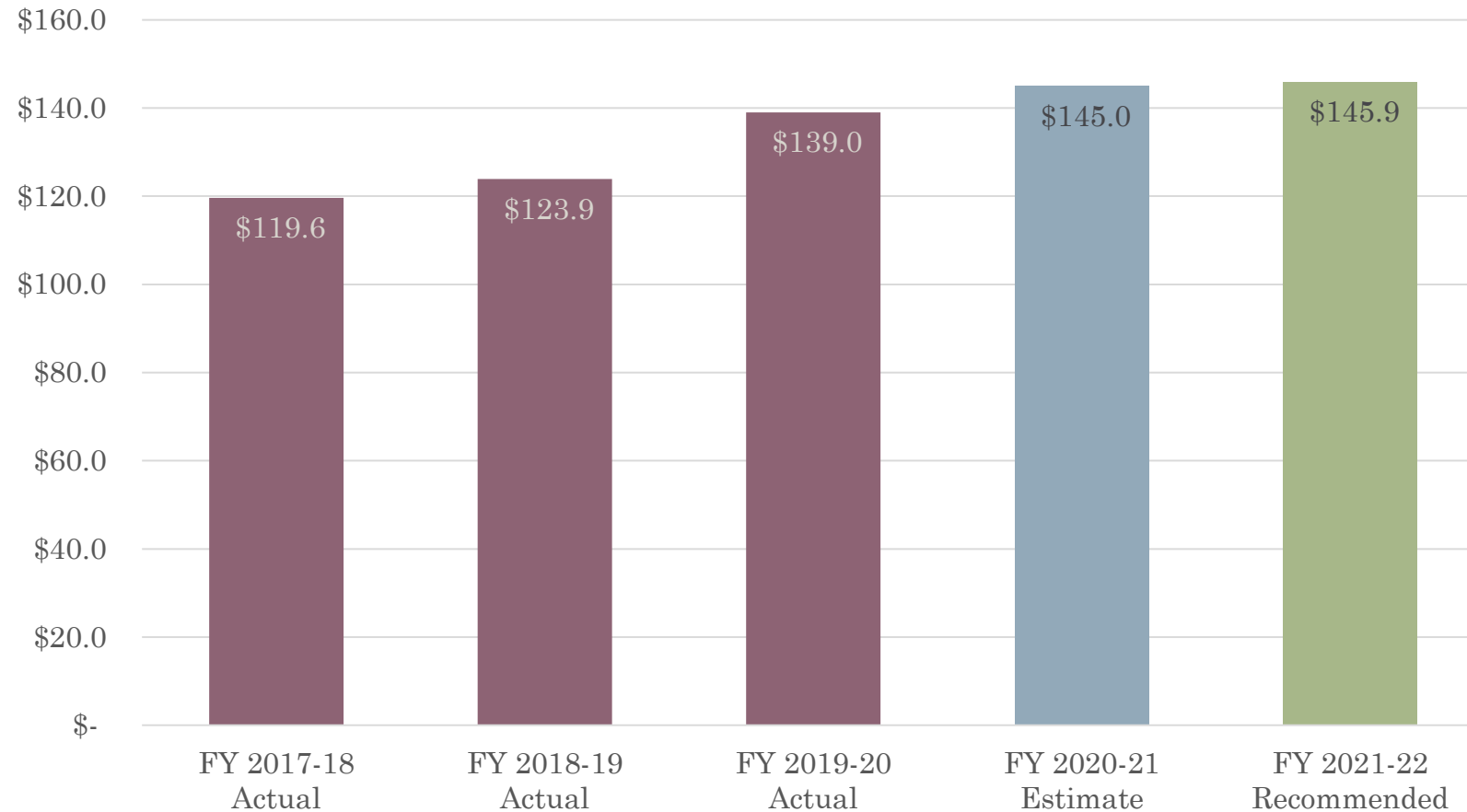


FY 2021-22 Recommended Budget

General Fund Revenues

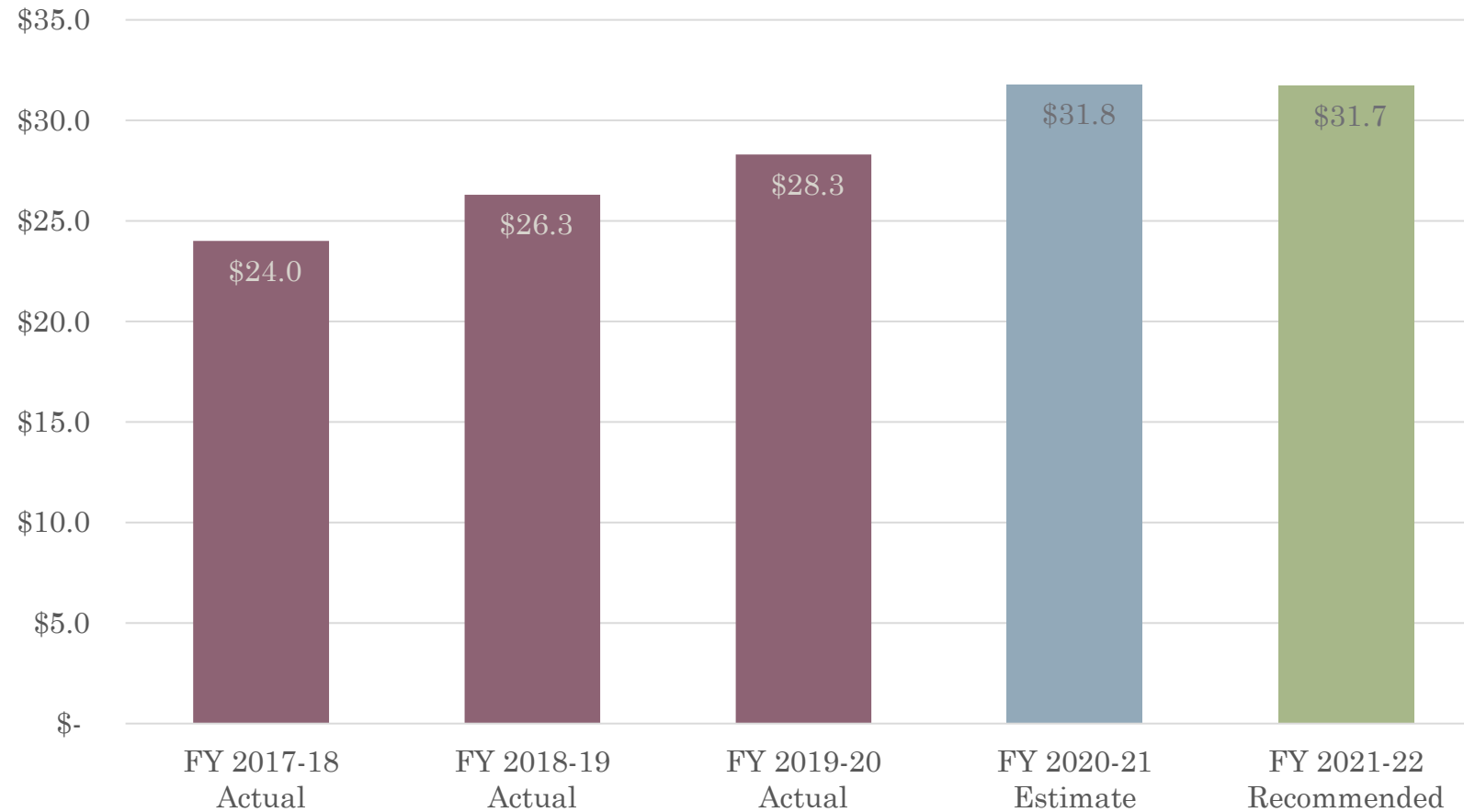
	FY 2021-2022 Recommended	% of Total	FY 2020-2021 Approved	% of Total	% Change Over Prior Year
Ad Valorem Taxes	\$148,800,658	65.2%	\$144,312,368	68.9%	3.1%
Local Option Sales Taxes	31,718,980	13.9%	21,430,183	10.2%	48.0%
Other Taxes and Licenses	5,245,000	2.3%	4,235,000	2.0%	23.8%
Unrestricted Intergovernmental	2,710,000	1.2%	1,698,000	0.8%	59.6%
Restricted Intergovernmental	15,654,560	6.9%	15,712,567	7.5%	-0.4%
Permits and Fees	4,966,110	2.2%	4,493,860	2.1%	10.5%
Sales and Service	13,423,392	5.9%	12,191,561	5.8%	10.1%
Investment Earnings	100,275	0.0%	500,560	0.2%	-80.0%
Other Revenue	1,186,332	0.5%	1,029,168	0.5%	15.3%
General Fund Balances Appropriated	4,221,480	1.9%	4,248,520	2.0%	-0.6%
Total Revenues	\$228,026,787	100%	\$209,851,877	100%	8.7%

Revenues from Property Tax



- **Excluding Prior Years' Collections**
- Last Revaluation January 2019
- Recommending No Change in the Tax Rate of 48.50 Cents
- Expected Collection Rate 98.10%

Revenues from Sales Tax



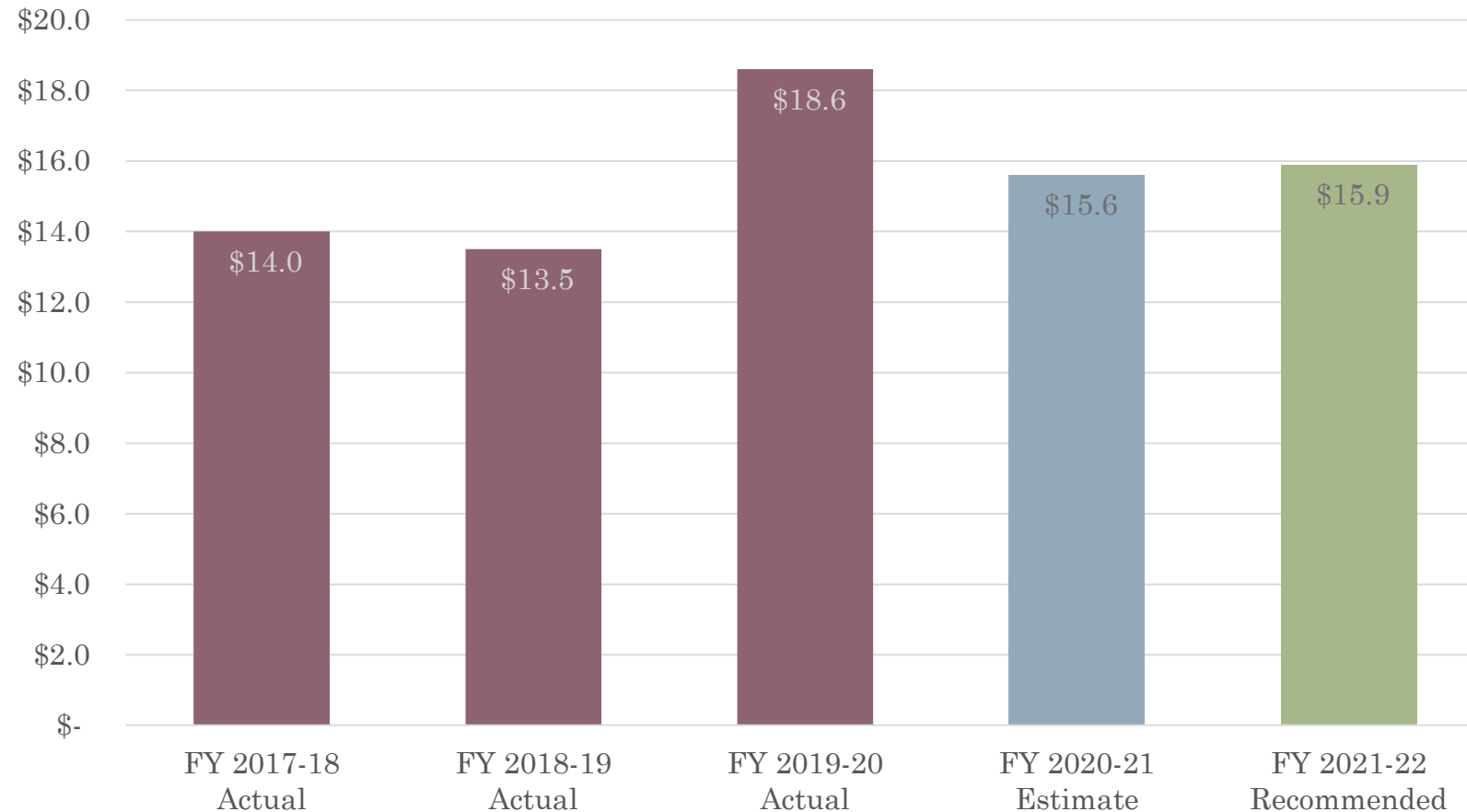
- **Includes Amounts Legislated for Schools Capital**
- 2021-22 Recommended increased \$10.3 million over 21 approved due to COVID-19 uncertainties, increasing 48.0%

FY 2021-22 Recommended Budget

General Fund Expenditures

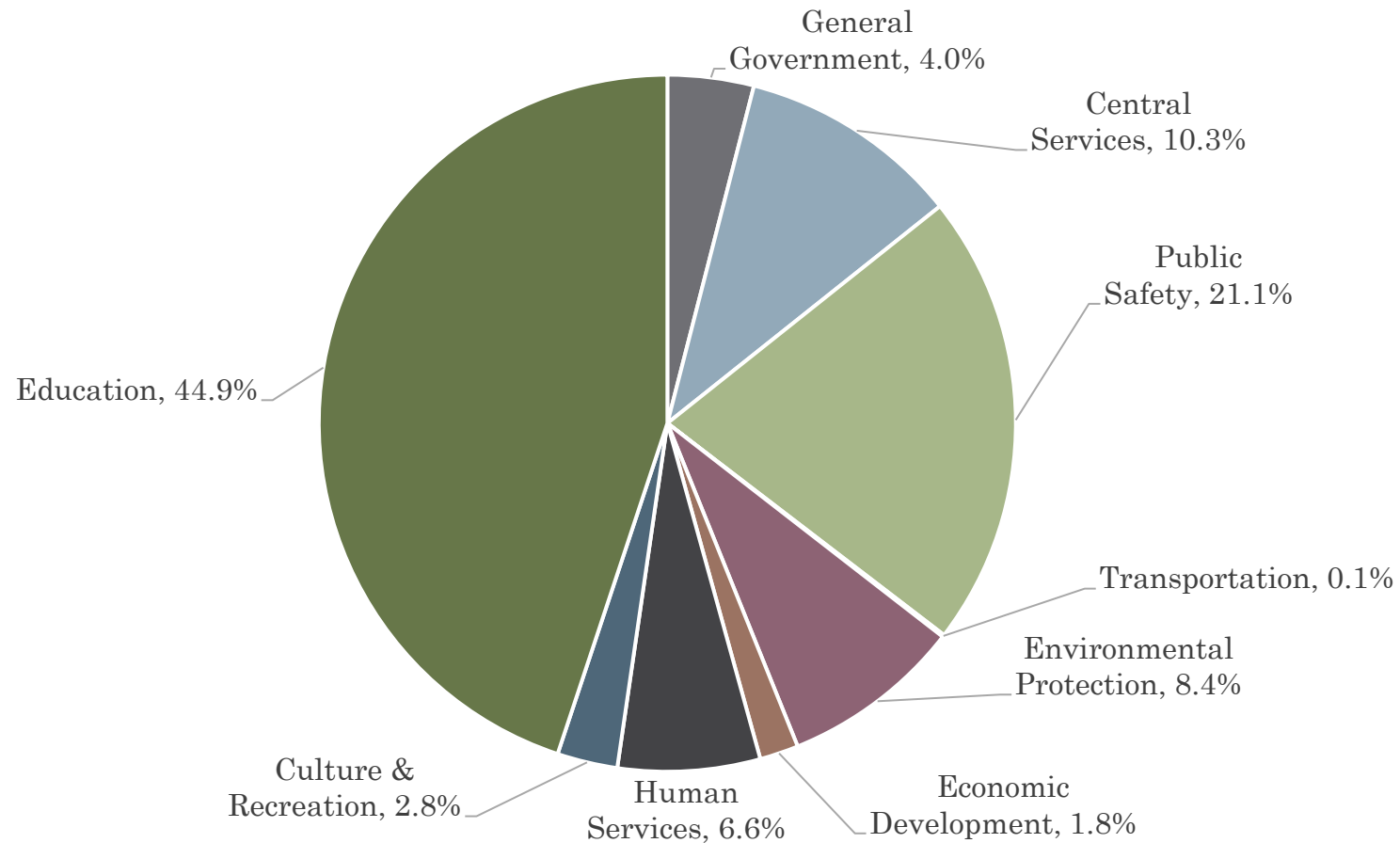
	FY 2021-2022 Recommended	% of Total	FY 2020-2021 Approved	% of Total	% Change Over Prior Year
General Government	\$14,796,186	6.5%	\$13,590,465	6.5%	8.9%
Central Services	19,256,727	8.4%	17,866,183	8.5%	7.8%
Public Safety	55,608,099	24.4%	49,623,968	23.6%	12.1%
Transportation	161,000	0.1%	138,500	0.1%	16.2%
Environmental Protection	19,272,998	8.5%	18,347,433	8.7%	5.0%
Economic Development	8,641,052	3.8%	7,584,003	3.6%	12.0%
Human Services	29,155,754	12.8%	27,542,339	13.1%	5.9%
Education	68,500,738	30.0%	66,455,788	31.8%	3.1%
Culture & Recreation	5,745,497	2.5%	4,928,650	2.3%	16.6%
Net Transfer to Project Reserves	6,888,736	3.0%	3,774,548	1.8%	82.5%
Total Revenues	\$228,026,787	100%	\$209,851,877	100%	8.7%

Governmental Debt Service



- General Debt Service 7.0% of Recommended Expenditures
- Planned Phase 3 (\$51.5M final phase) GO Bond Debt Issue July 2022 adding \$5.3M in debt service in FY 24
- Debt Service Policy Annual Range not to exceed 10-13% of Total Expenditures

2021 Tax Levy Distribution



General Fund

Employee Compensation

FTEs	FY 2021 Current	FY 2022	2021-2022	FTEs	% Increase	County Cost
General Government	103.00	103.00	-	Market Adjustment	1.5%	\$1,003,200
Public Safety	470.00	480.00	10.00	Merit Increase	Range .75-4.35%	\$1,672,000
Central Services	92.00	94.00	2.00	Retirement Increase	1.11%	\$530,000
Human Services	229.94	231.94	2.00	Total		\$3,205,200
Environmental Protection	8.00	9.00	1.00			
Culture & Recreation	45.00	46.00	1.00			
Economic Development	26.66	26.66	0.00			
Total	974.60	990.60	16.00			

- 1.5% Pay Scale Adjustment
- Funding for Classification & Total Compensation Study

Fire Fee Committee & Municipal Fire Fee Changes

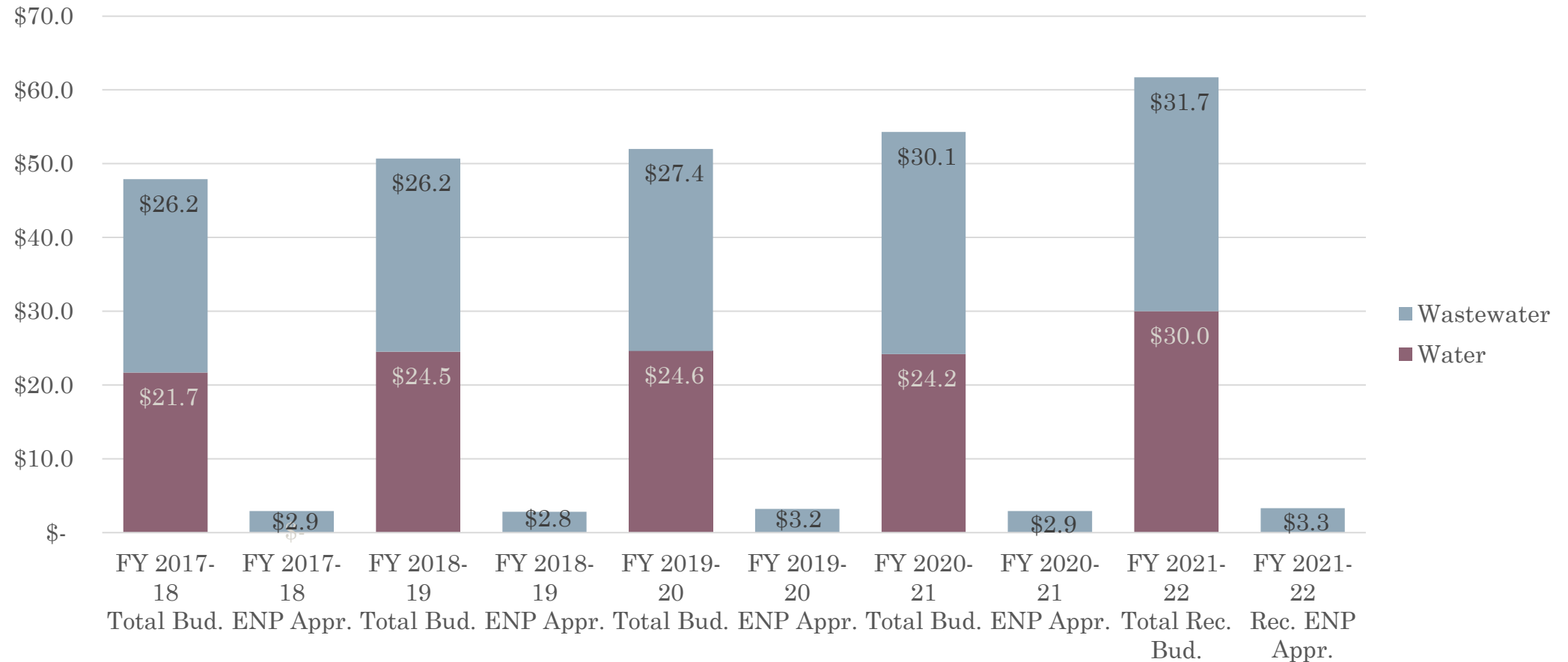
Increases:

- **St. James 10%** (nonprofit volunteer)
- **Bolivia 7%** (nonprofit volunteer)
- **Grissettown-Longwood 6%** (nonprofit volunteer)
- **Town of Ocean Isle Beach 9%** (Municipal)
- **Calabash 27%** (nonprofit volunteer)
- **Tri-Beach 15%** (nonprofit volunteer)
- **Town of Oak Island 20%** (Municipal)

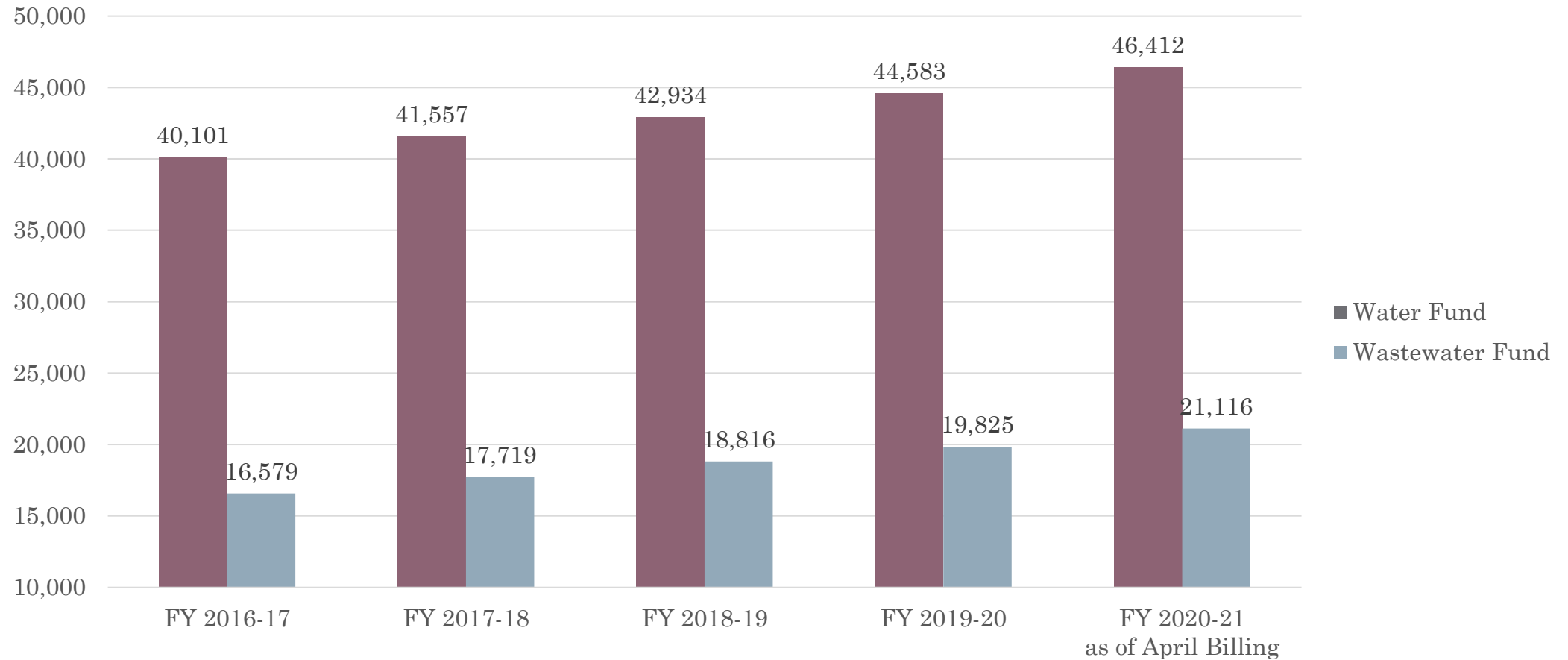
General Fund Recommended Fee Changes

- **Solid Waste Fees**
 - Removed Mulch for commercial customer and residential customer
 - Added Screened Mulch \$3.00 and Non-Screened Mulch no charge
- **Health Services Fees**
 - Various fee changes reflecting both the cost to provide the service as well as the allowable billable rates from third party payors
- **Environmental Health**
 - Various fee changes in order to further simplify the current fee schedule and to shift a portion of permitting charges from the Improvement Permit stage to the Construction Authorization stage of permitting for septic tank permits

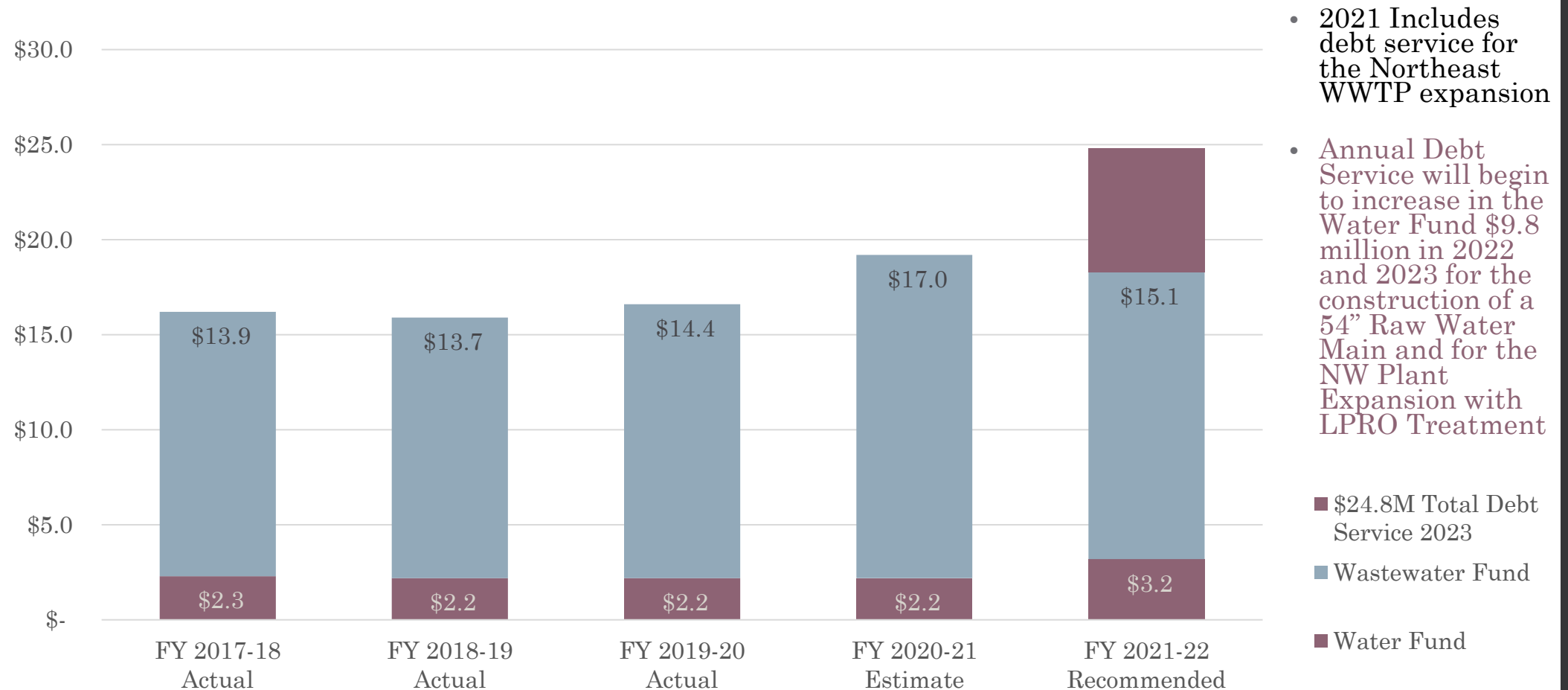
Recent Enterprise Fund Approved Budgets and Expendable Net Position (ENP) Appropriated



Enterprise Customer Growth



Enterprise Debt Service



Enterprise Fund

Employee Compensation

FTEs	FY 2021 Current	FY 2022	2021-2022
Water Fund	93.00	94.00	1.00
Wastewater Fund	54.00	59.00	5.00
Total	147.00	153.00	6.00

FTEs	% Increase	County Cost
Market Adjustment	1.5%	\$161,800
Merit Increase	Range .75-4.35%	\$269,667
Retirement Increase	1.11%	\$90,000
Total		\$521,467

- 1,5% Pay Scale Adjustment
- Funding for Classification & Total Compensation Study

Enterprise Fund Recommended

Water Fee 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

Enterprise Fund Recommended Water Fee Changes - Continued

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

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

Enterprise Fund Recommended Water Fee 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 Wholesale meter sizes
- Recommend to Increase Wholesale 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

Budget Process

- Budget Workshop Scheduled June 7, 2021 at 1:00pm, if needed
- Public Hearings: June 7, 2021 at 3:00 p.m. and will be continued until June 21, 2021 at 6:00 p.m. in the Board of Commissioners Chambers
- June 21, 2021 in the Board of Commissioners Chambers after public hearing will consider:
 - Adoption of Recommended Budget
 - Adoption of Rate and Fee Changes

For more info...

www.brunswickcountync.gov

or 910.253.2016