

Caswell County Board of Commissioners
Goals and Budget Planning Session
Gunn Memorial Library
January 25, 2025

8:00 AM **Light breakfast**

8:30 AM **Board Convenes**

The meeting will be called to order by the Chairman.

Agenda Overview and Purpose of Meeting

- *Interim County Manager, Renee Pascal, will provide an overview*

8:45 AM **Keys to Good Governance and Session Goals**

1. *Governance Presentation—Amy Cannon, NCACC Outreach Associate*
2. *Expectations Setting – Board Member’s Desired Outcomes and Rules of Operation for the Session*
 - *Johnna Sharpe, NCACC Consultant*
 - *Amy Cannon, Outreach Associate*

9:30 AM **Caswell County Demographics**

A presentation on Caswell County demographic and economic factors will be provided as a broad overview of the county to guide future decisions and planning.

- *Johnna Sharpe*

10:15 AM **BREAK**

11:15 AM **FY 2026 Budget**

1. *Budget trends and financial indicators*
2. *Overview of FY 2026 Budget*
3. *Fiscal Policy*
4. *Capital Replacements*
5. *Possible Fee Changes*
 - *Renee Pascal, Interim County Manager*

12:00 PM **LUNCH**

- 12:45 PM **Strengths, Challenges and Moving Forward**
Discussion of Caswell’s strengths and challenges identified in the pre-retreat survey will service as the foundation for identifying goals and priorities within the County’s core areas of responsibility: Economic Development, Public Safety, Human Services, Education, Active and Vibrant Living, and County Operations
- *Johnna Sharpe, NCACC Consultant*
 - *Amy Cannon, Outreach Associate*
- 1:45 PM **BREAK**
- Strengths, Challenges and Moving Forward continued**
- 3:00 PM **BREAK**
- 3:15 PM **Manager, Clerk, Economic Development Positions**
Discuss realignment of positions and recruitment
- *Renee Pascal, Interim County Manager*
- 4:00 PM **Wrap Up**
- *Board Chair*
- 4:15 PM **Adjourn or Recess to January 28 at 8 am**



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Keys to Good Governance

- Board Dynamics
- Policy Development
- Policy Implementation
- Successful Relationships
 - Board Members
 - Chairman and Board Members
 - Board/Manager/Staff




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Board Dynamics

- Good governance depends upon successful relationships
 - Policy development – respect opposing viewpoints
 - Policy implementation – promote teamwork
 - Respect fellow board members
 - Work with staff through chain of command



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Board Dynamics

- Positive relationships among Board members
 - Get to know fellow board members
 - Communicate with each other on regular basis
 - Learn what's important to your colleagues




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Board Dynamics

- Positive relationships with Staff
- Respect staff and their profession
- Public service is their livelihood
- Address staff concerns in private



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Board Dynamics

- Governing Board sets the tone
- Establishment of team begins with Board
- Responsible for county perception among your peers
- County reputation related to stability and professional conduct
- Perception impacts staff and economic recruitment




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Policy Development

- Democracy dependent upon different views and open debate
 - Must agree to disagree
- Each issue and opposing view stands alone
- Develop clear lines of communication
- Board members have equal access and input in policy development



Policy Development

- Facilitating opposing views during policy development
 - Understand reasons for board member's position
 - Don't assume questions and concerns equal opposition
 - Share data and information that formed your position
 - Prior issue dissention should not impact future issues



Policy Development

- Facilitating opposing views during policy development
 - Individual commissioner has limited authority
 - Extensive authority when part of majority
 - Opposing board member today, ally tomorrow
- Staff's role
 - Seek professional staff input
 - Keep staff outside of Board disagreements




Policy Implementation

- Steps to achieving county goals
 - Positive relationships with staff and others
 - Support county team
 - Respect roles of Board vs. Staff
 - Board develops policies, staff responsible for implementation



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Building Relationships for Success

- Board member relationships
 - Share information timely
 - No surprises
 - Do your homework
 - Support County policy implementation once adopted



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Building Relationships for Success


- Successful Board Chair
 - Communicates with all Board members
 - Shares all information equally and timely
 - Monitors board relations
 - Works to avoid disruptive conflicts
- Board must establish role of Chair
 - Board spokesperson?
 - Facilitator of conflict?
 - Role in agenda development?
 - Relationship with Manager vs. Staff?



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Building Relationships for Success

- Relationship and roles between Board/Manager/Staff
 - Manager is the Chief Executive Officer
 - Communication both ways to prevent surprises
 - Challenges with constituent services
 - Chain of command
 - Implications of Board interaction with Staff



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Caswell by the Numbers

January 25, 2025

Facilitators:
Amy Cannon, NCACC Outreach Associate
Johnna Sharpe, NCACC County Consultant

TOPICS

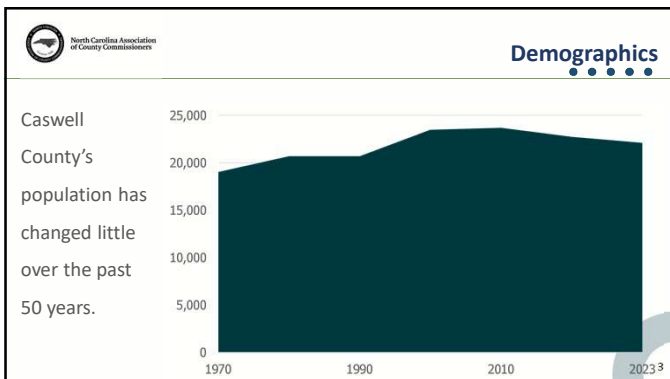
- Demographics

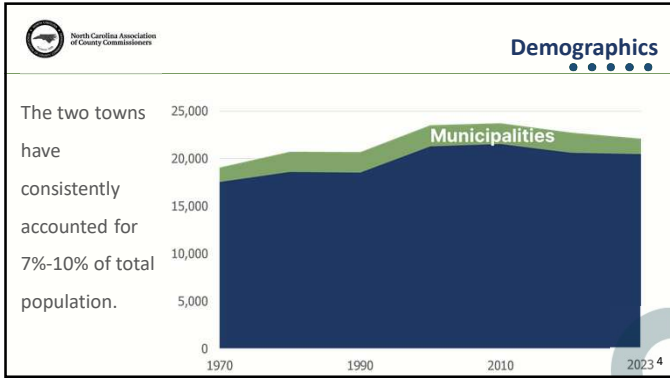
- Economics & Workforce

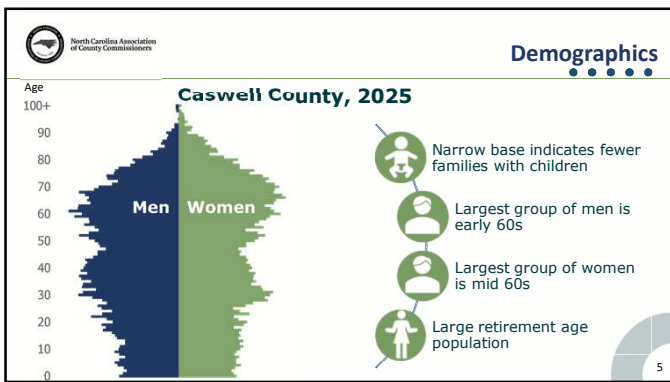
- Property Taxes

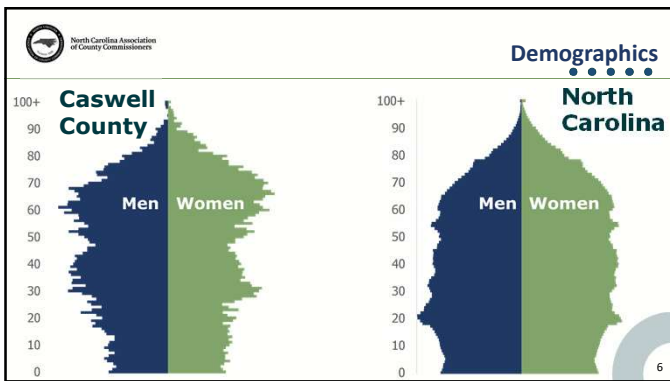
- Education

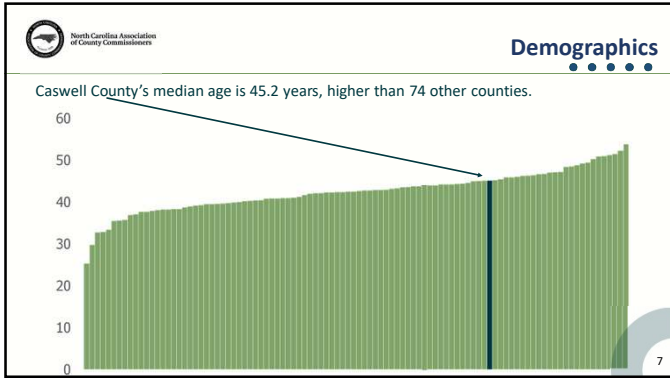
- Vulnerable Populations





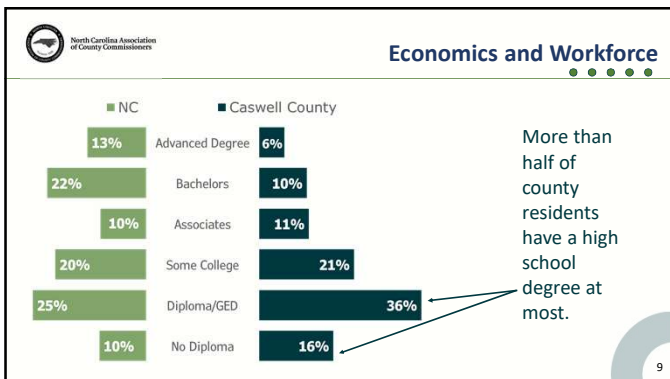


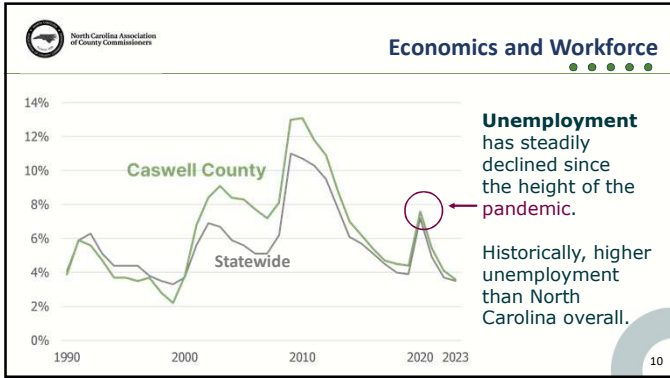


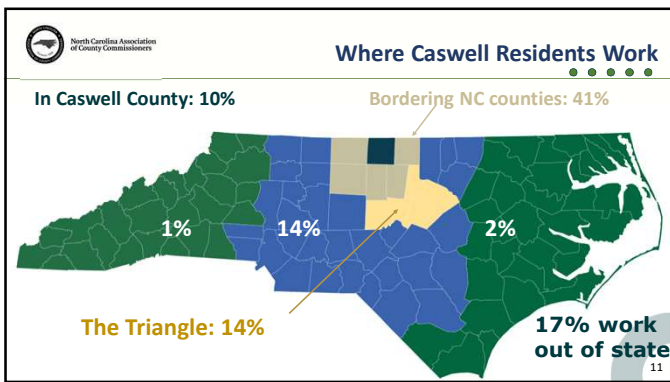


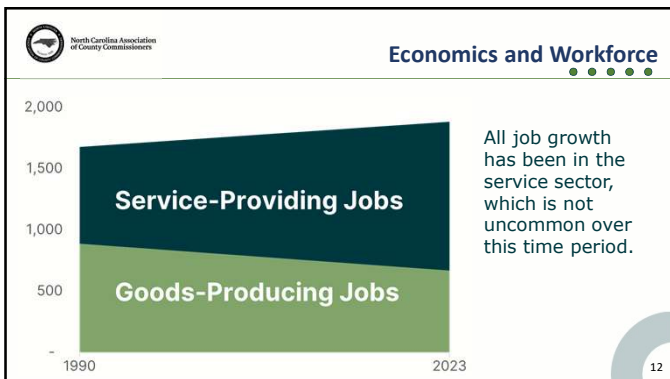
TOPICS

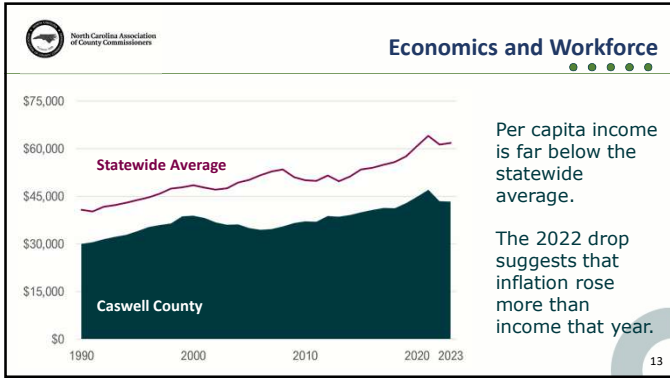
- Demographics
- Economics & Workforce
- Property Taxes
- Education
- Vulnerable Populations

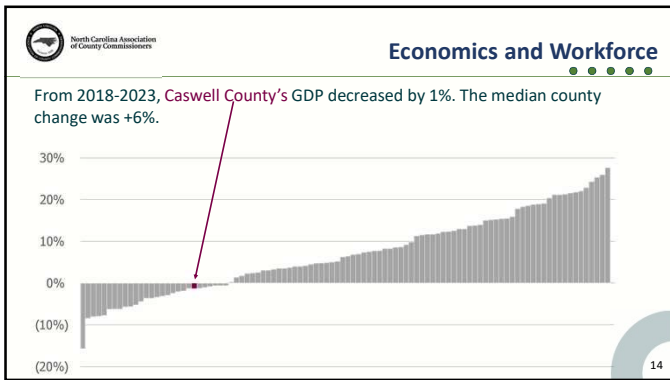


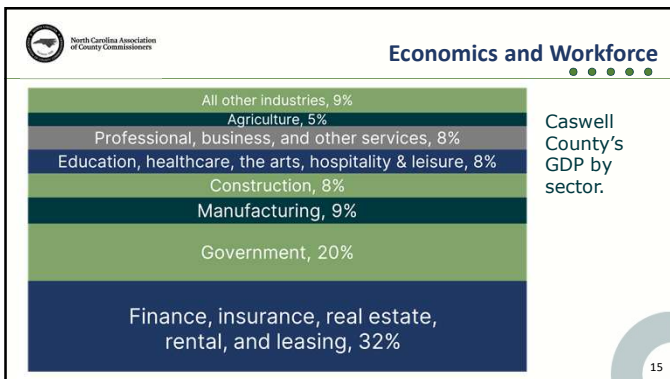






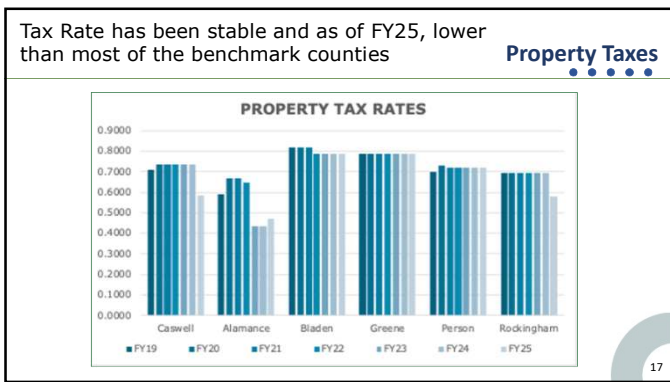


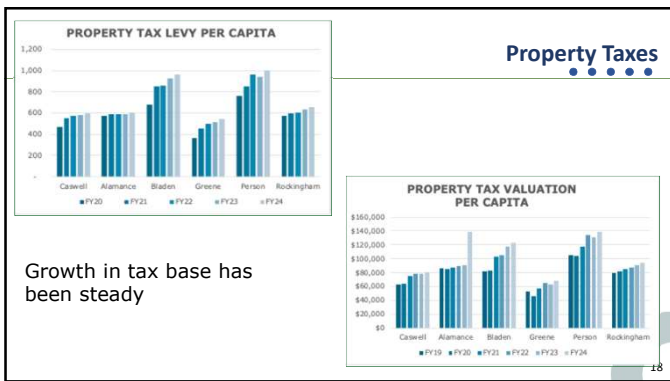




TOPICS

- Demographics
- Economics & Workforce
- Property Taxes
- Education
- Vulnerable Populations





TOPICS

- Demographics
- Economics & Workforce
- Property Taxes
- Education
- Vulnerable Populations

Caswell's FY24 rate for third grading reading stabilized; Graduate rates are steady

Education

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THIRD GRADE READING PROFICIENCY

County	FY21	FY22	FY23	FY24
Caswell	35	36	38	40
Alamance	38	39	41	42
Bladen	28	29	31	32
Greene	30	31	33	34
Person	42	43	44	45
Rockingham	38	39	40	41

GRADUATION RATES

County	FY19	FY20	FY21	FY22	FY23	FY24
Caswell	85	86	87	88	89	90
Alamance	86	87	88	89	90	91
Bladen	90	91	92	93	94	95
Greene	88	89	90	91	92	93
Person	82	83	84	85	86	87
Rockingham	87	88	89	90	91	92

Source: NCDPI District Proficiency - Third Grade Reading

Source: NCDPI Cohort Graduation Rates: Percentages of 9th Graders graduating in 4 years

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The state recorded no supplements in 20, 21, 22 and 24

Uncertain if data not provided or school system did not provide supplements

Education

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AVERAGE TEACHER SUPPLEMENTS

County	FY19	FY20	FY21	FY22	FY23	FY24
Caswell	1,000	5,000	5,000	5,000	5,000	5,000
Alamance	4,500	4,800	5,000	5,200	5,500	5,800
Bladen	2,000	2,000	2,000	2,000	2,000	2,000
Greene	1,500	1,500	1,500	1,500	1,500	1,500
Person	4,500	4,800	5,000	5,200	5,500	5,800
Rockingham	2,000	2,000	2,000	2,000	2,000	2,000

Source: NCDPI Statistical Table 20: Local Salary Supplements

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TOPICS

- Demographics
- Economics & Workforce
- Property Taxes
- Education
- Vulnerable Populations

Human Services

Most counties are seeing upward trends in these areas likely due to inflation pressures

Human Services

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CHILDREN IN POVERTY

County	2019	2020	2021	2022
Caswell	25	28	30	32
Alamance	18	20	22	24
Bladen	22	25	28	30
Greene	30	32	35	38
Person	20	22	24	26
Rockingham	22	24	26	28

FOOD INSECURITY

County	2019	2020	2021	2022
Caswell	14	15	16	17
Alamance	13	14	15	16
Bladen	15	16	17	18
Greene	14	15	16	17
Person	13	14	15	16
Rockingham	14	15	16	17

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Human Services

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Human Services

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TRADITIONAL MEDICAID ENROLLMENT

County	2020	2021	2022	2023
Caswell	25	28	30	32
Alamance	20	22	24	26
Bladen	22	25	28	30
Greene	25	28	30	32
Person	22	24	26	28
Rockingham	24	26	28	30

UNINSURED RESIDENTS

County	2018	2019	2020	2021
Caswell	14	15	16	17
Alamance	13	14	15	16
Bladen	15	16	17	18
Greene	14	15	16	17
Person	13	14	15	16
Rockingham	14	15	16	17

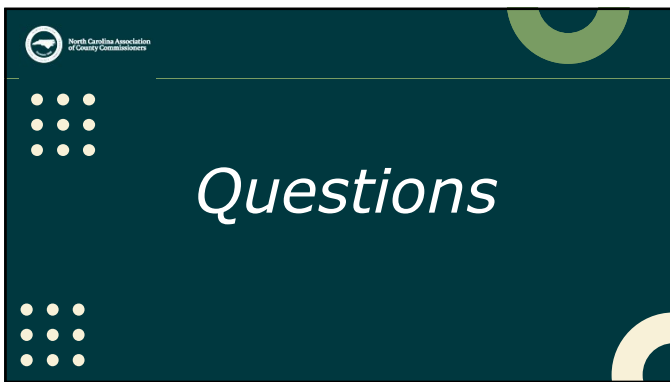
MEDICAID EXPANSION ENROLLMENT
Percent of residents aged 19-64

County	As of July 2024
Caswell	10
Alamance	8
Bladen	12
Greene	10
Person	9
Rockingham	11

Uninsured residents has remained stable while Medicaid enrollment has increased

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Trends

Counties in our population group (<25,000)

Alleghany: 10,867

Avery County: 17,807

Bertie: 17,865

Camden: 10,379

Caswell: 22,680 (data not included in comparisons)

Clay: 11,049

Gates: 10,388

Graham: 8,013

Greene: 20,423

Hertford: 21,357

Hyde: 4,565

Jones: 9,114

Madison: 21,173 (data not included in comparisons)

Martin: 21,933

Mitchell: 14,902

Northampton: 17,248 (data not included in comparisons)

Pamlico: 12,250

Polk: 19,219

Swain: 14,082

Tyrrell: 3,134

Warren: 18,590

Washington: 10,934

Yancey: 18,491

Counties with similar per capita tax bases

Alexander: \$78,323

Anson: \$100,290

Bertie: \$84,412

Bladen: \$117,695

Caswell: \$78,936

Columbus: \$85,841

Duplin: \$100,876

Edgecombe: \$72,688

Granville: \$86,380

Greene: \$65,232

Hoke: \$84,362

Lenoir: \$80,764

Randolph: \$86,906

Robeson: \$68,100

Sampson: \$88,372

Scotland: \$76,315

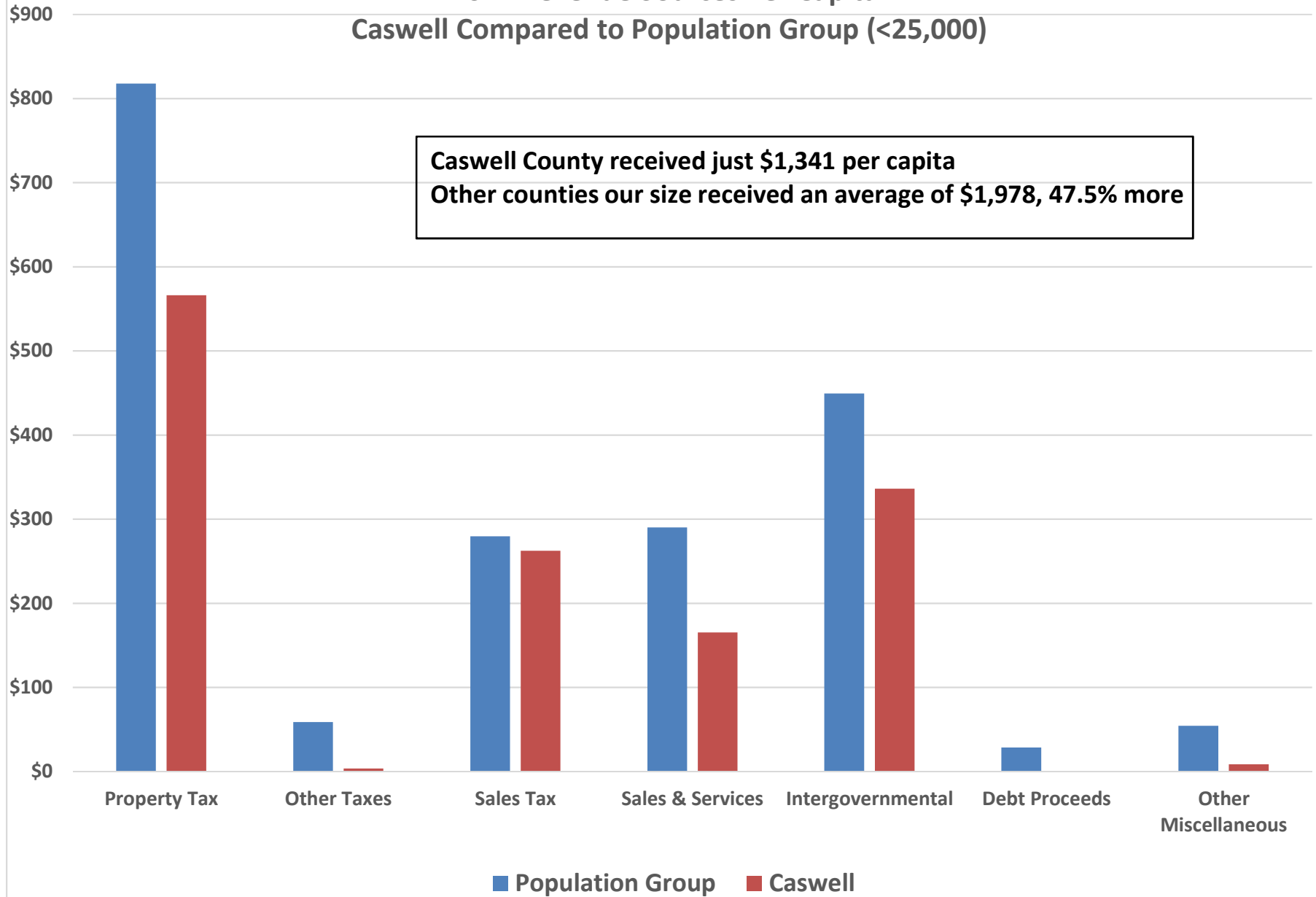
Vance: \$71,094

Wayne: \$80,099

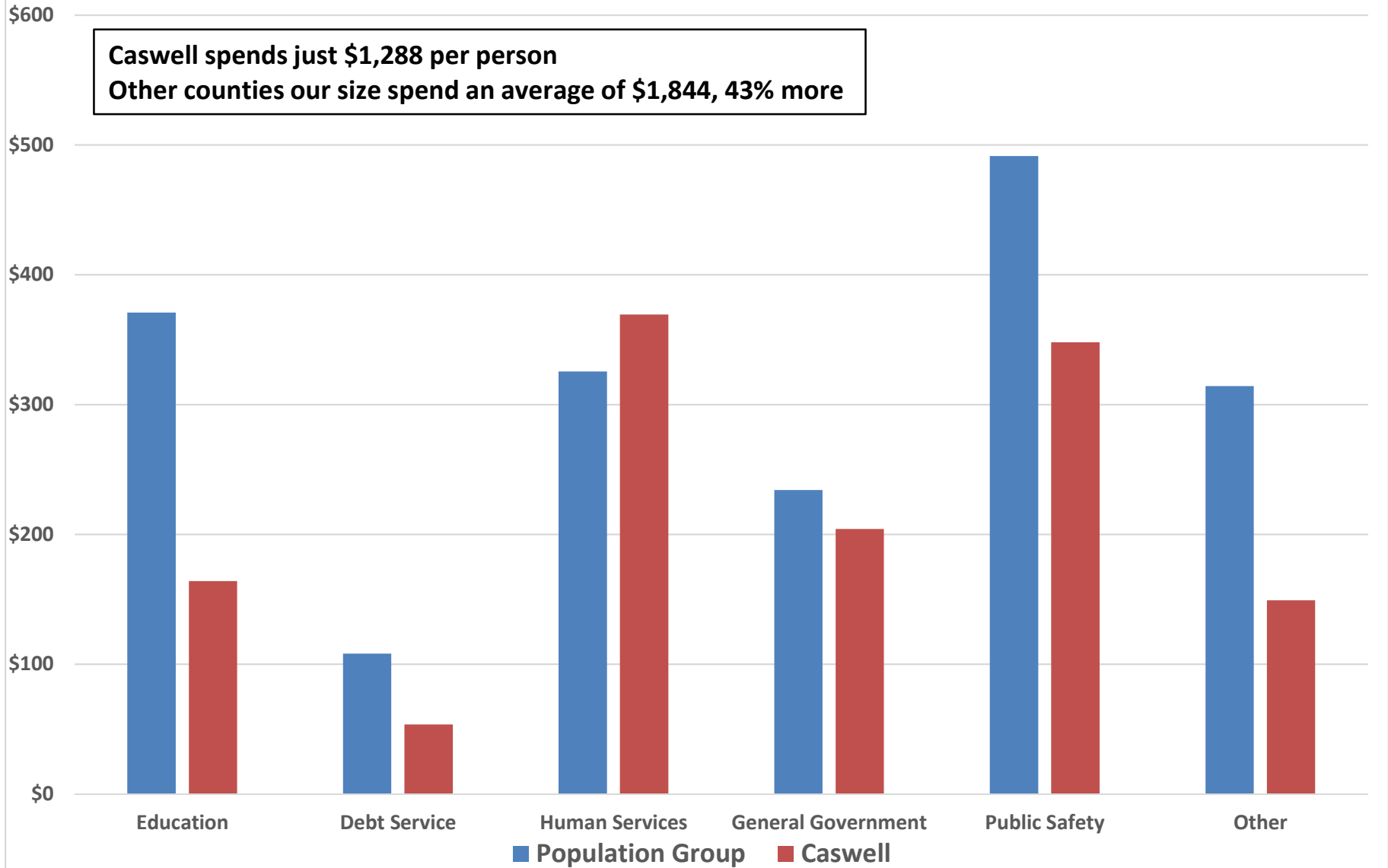
Wilkes: \$93,733

2021 Revenue Sources Per Capita: Caswell Compared to Population Group (<25,000)

**Caswell County received just \$1,341 per capita
Other counties our size received an average of \$1,978, 47.5% more**



2021 Per Capita Spending: Caswell Compared to Population Group (<25,000)



Composition of Caswell County Tax Base

1,600,000,000

1,400,000,000

1,200,000,000

1,000,000,000

800,000,000

600,000,000

400,000,000

200,000,000

0

Caswell has the highest proportion of residential tax base in NC, 95%
The average is 72%

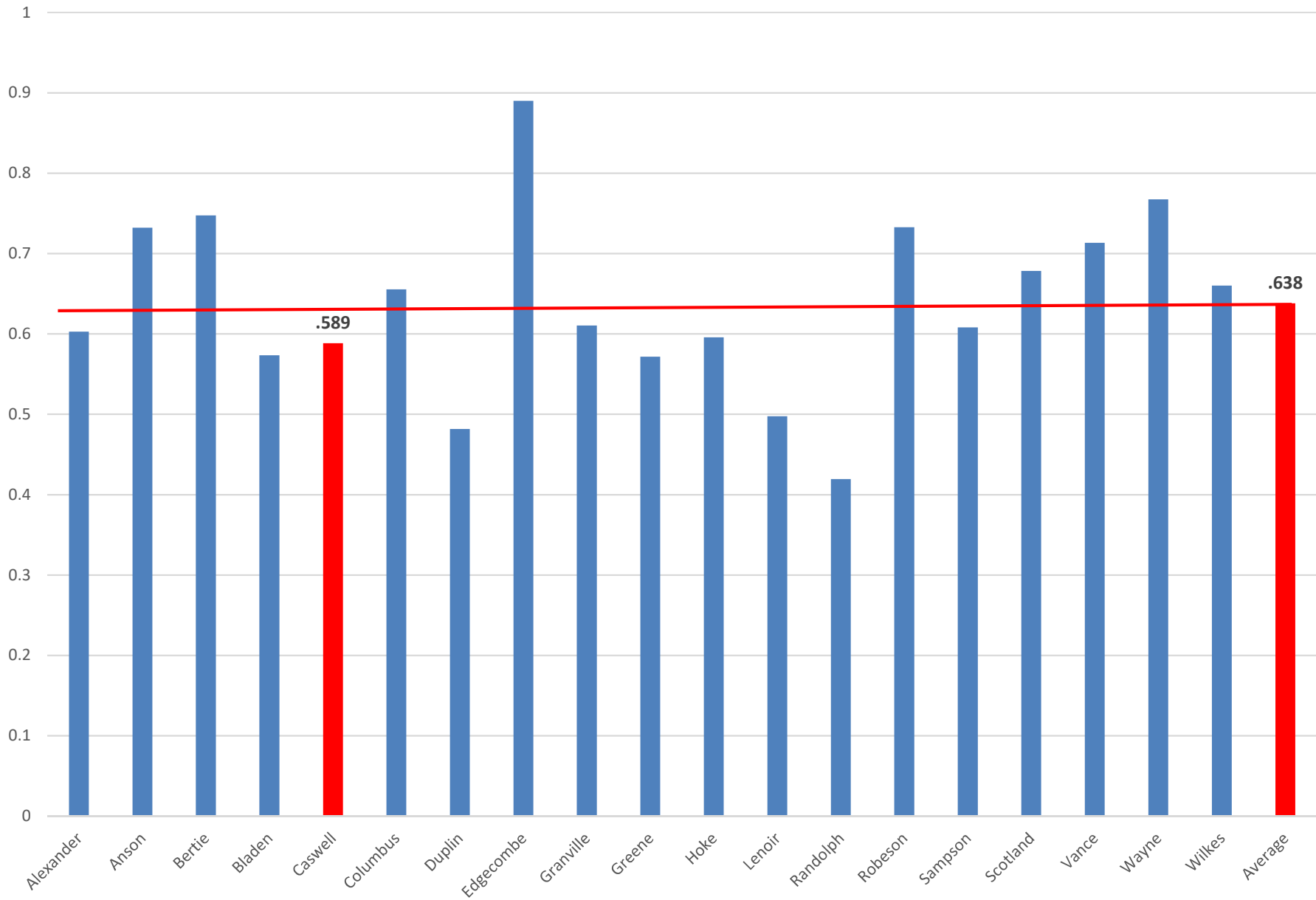
Residential

Commercial

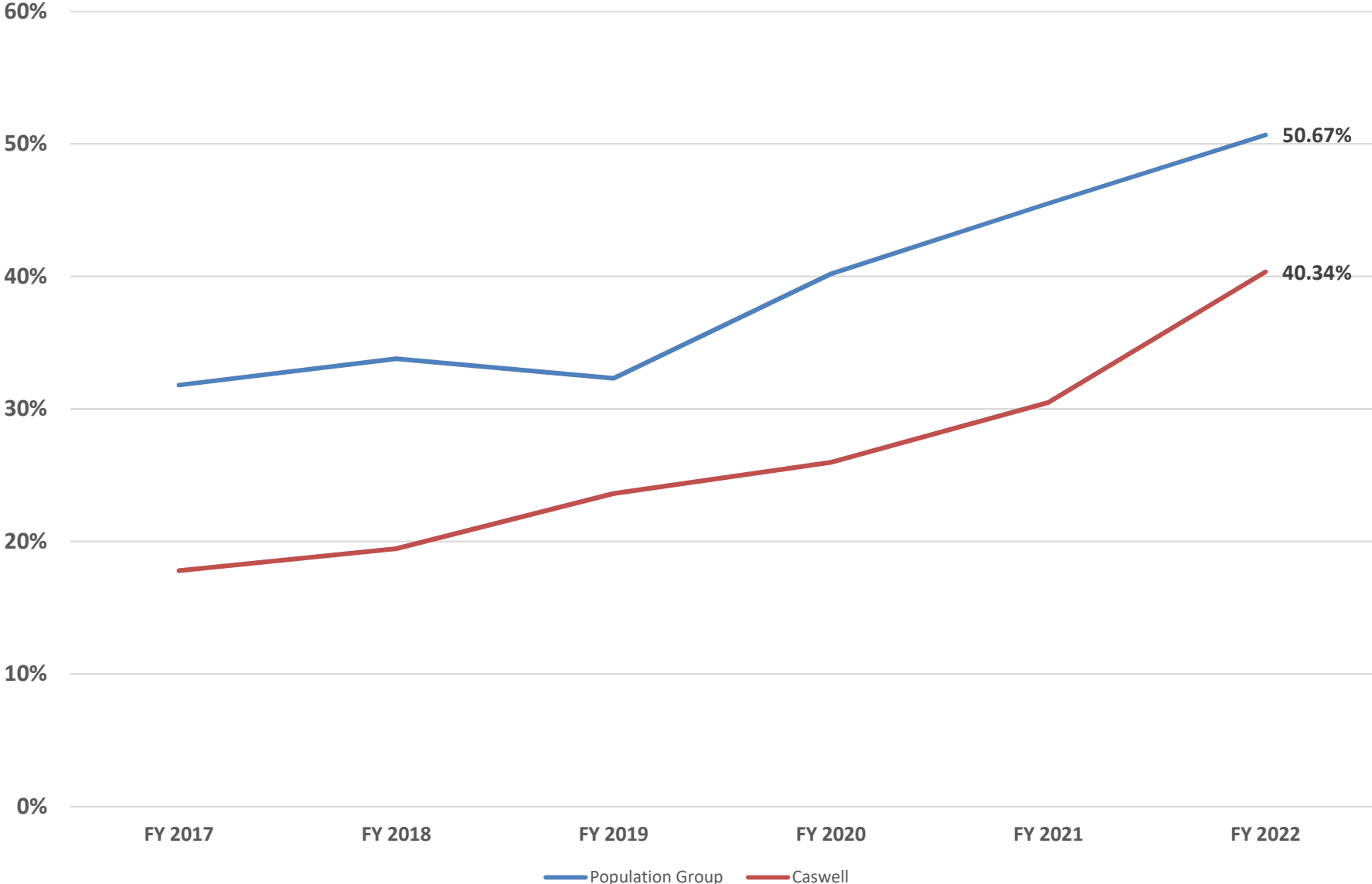
Industrial



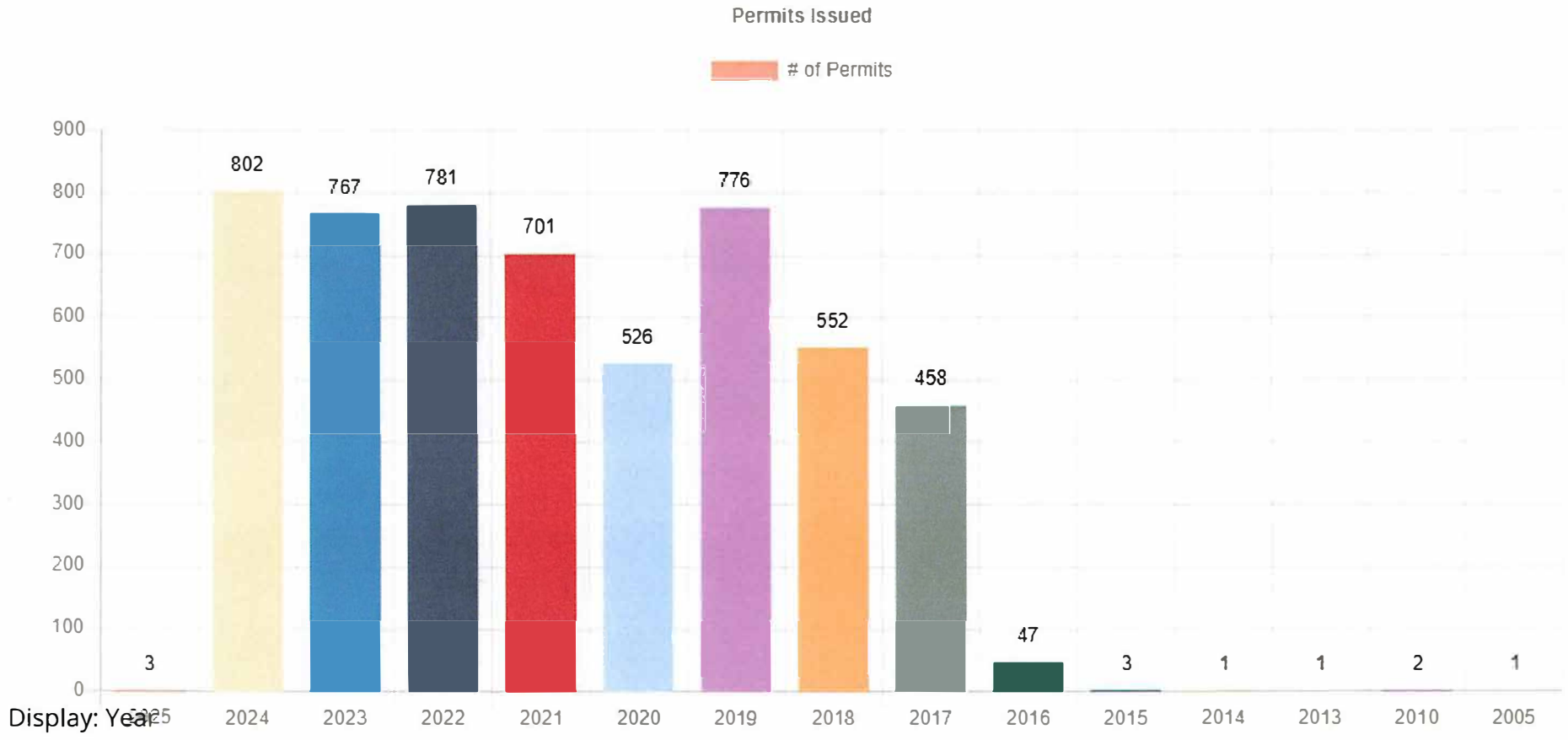
Effective Tax Rates of Counties with Similar Taxable Property Per Capita



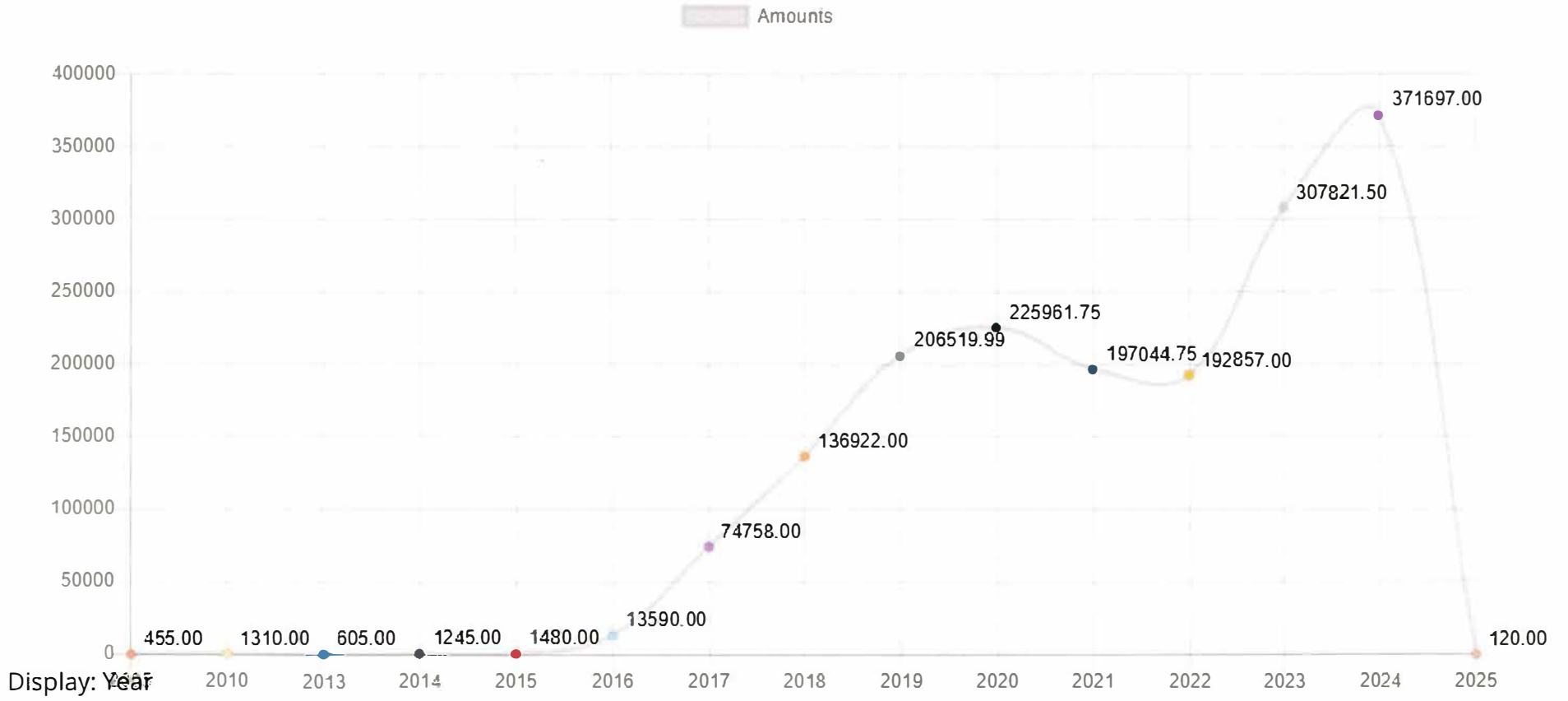
Available Fund Balance Trend: Comparison with Population Group



Caswell County Building Permits Issued Annually

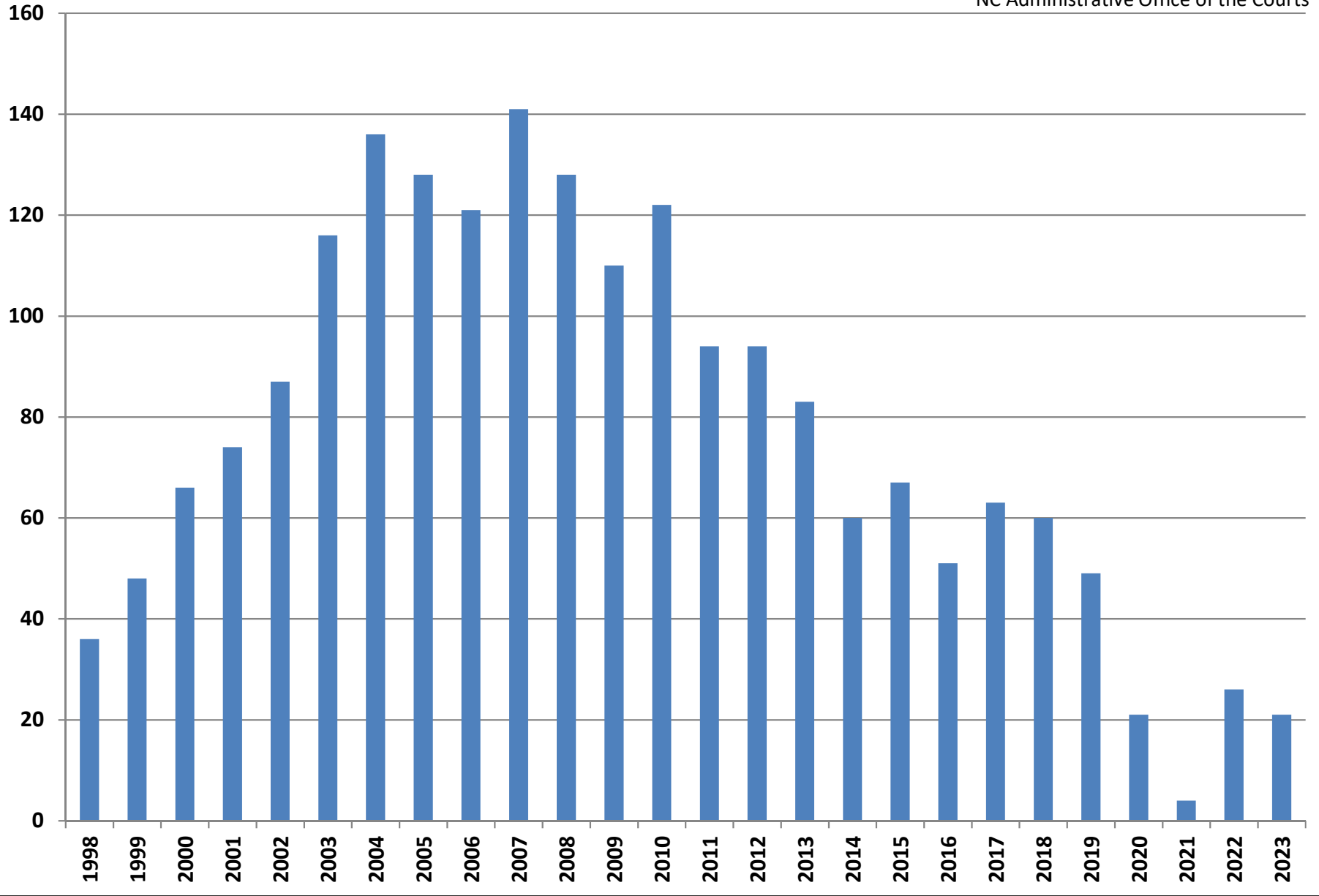


Caswell County Building Permit Revenue by Year

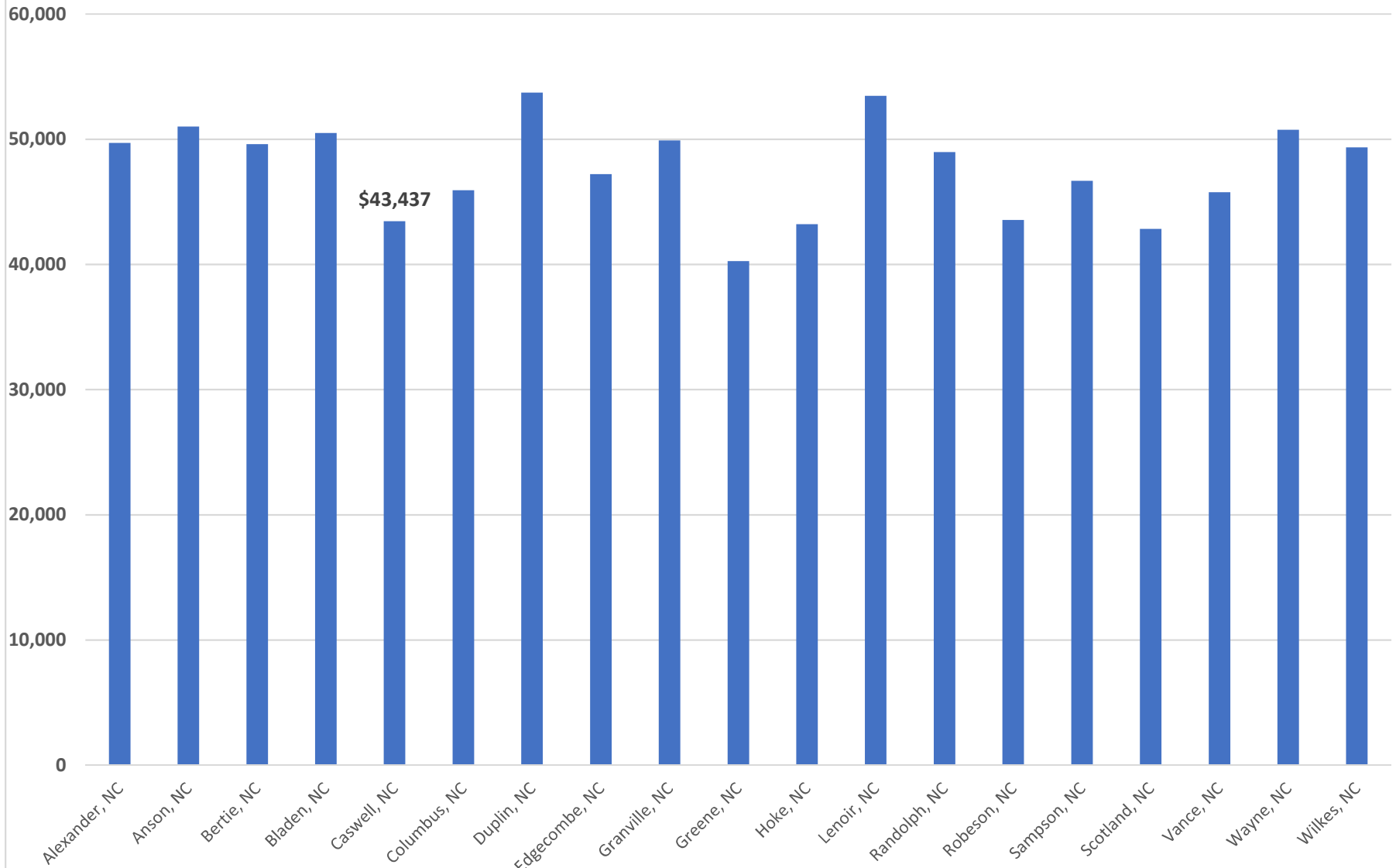


Annual Number of Foreclosures in Caswell County

NC Administrative Office of the Courts



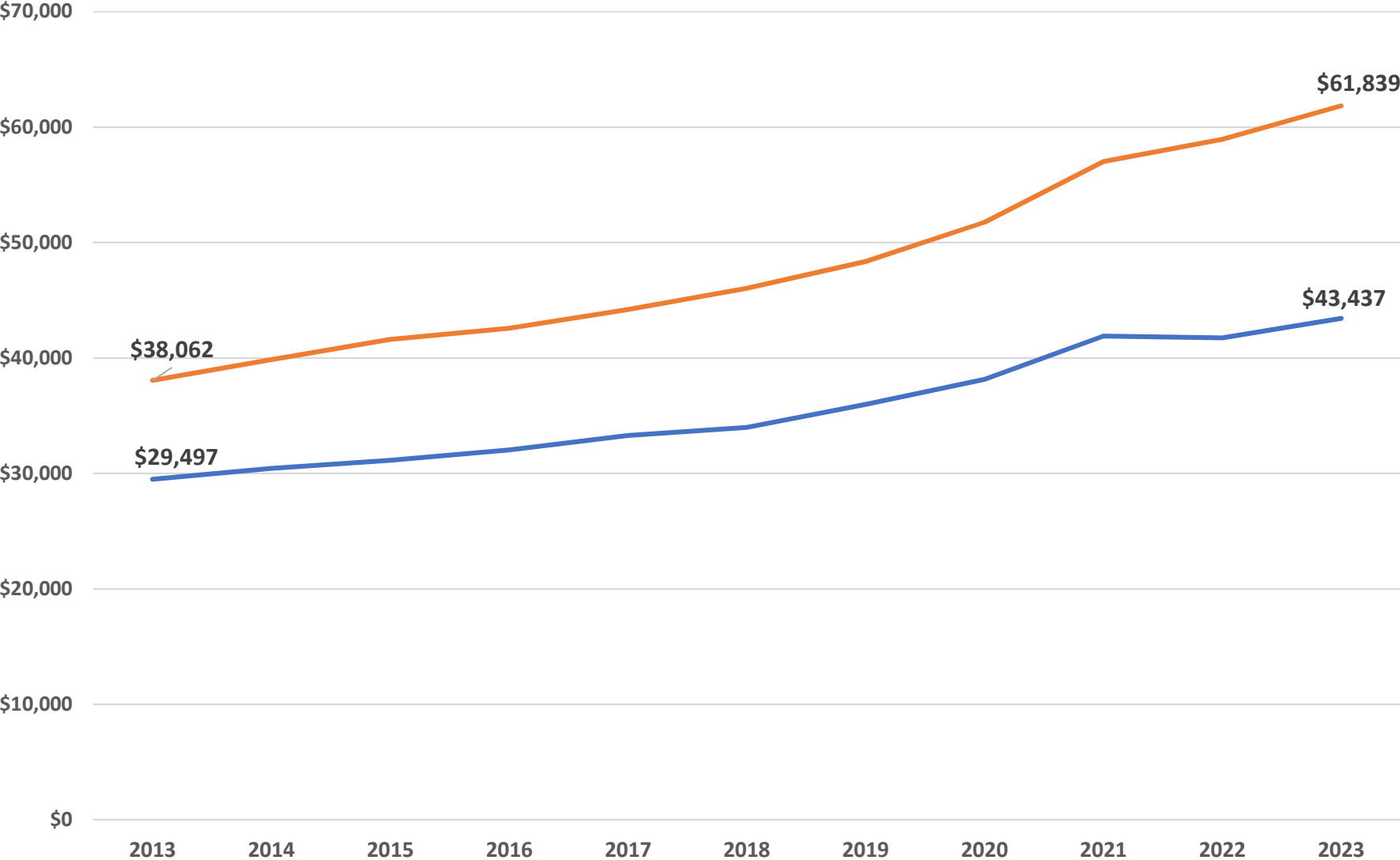
Per Capita Personal Income Among Counties with Similar Tax Bases



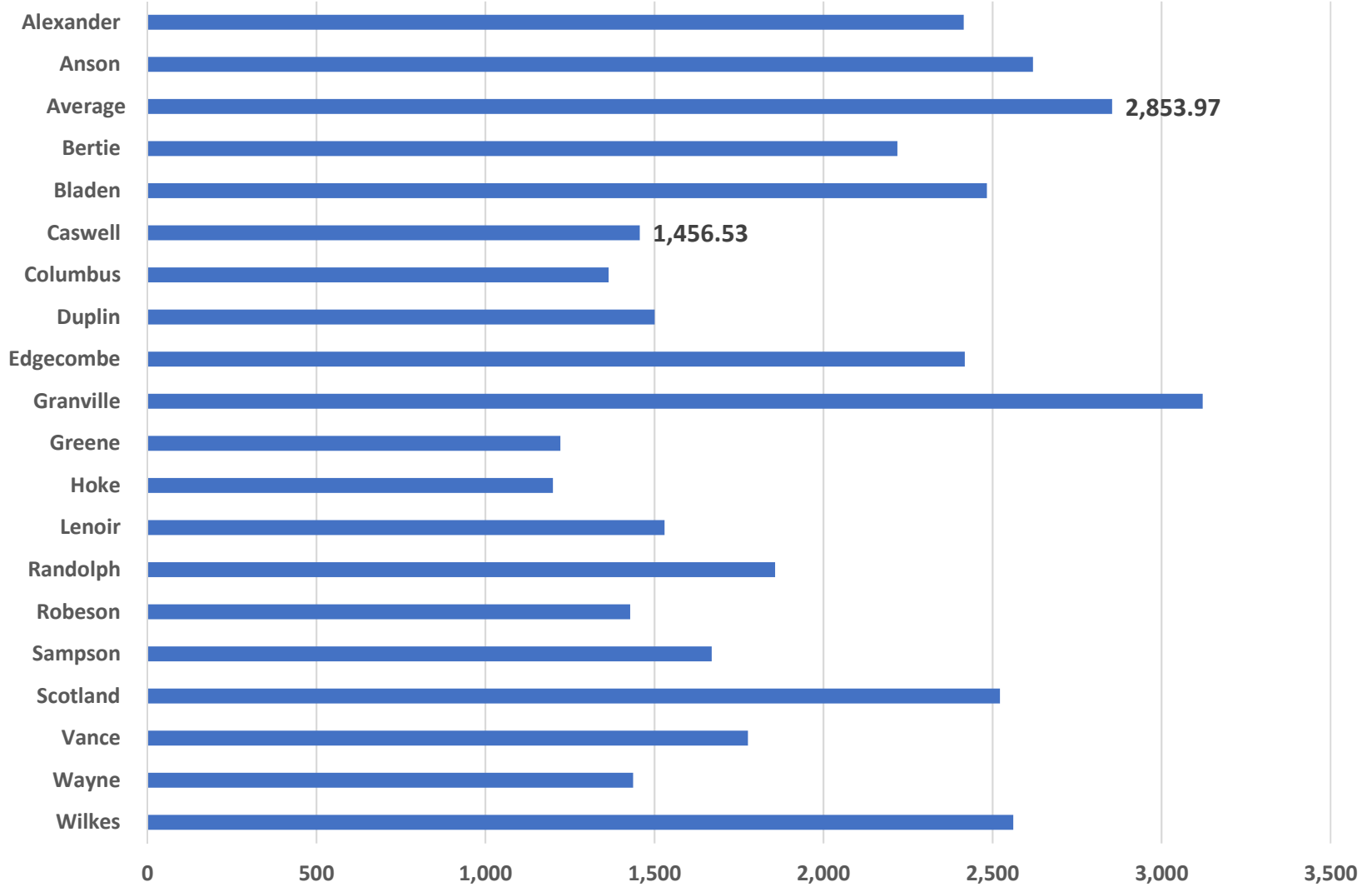
Out of 100 counties, Caswell ranks 96th in per capita personal income.

10-Year Trend in Per Capita Income Caswell County

Caswell State Average

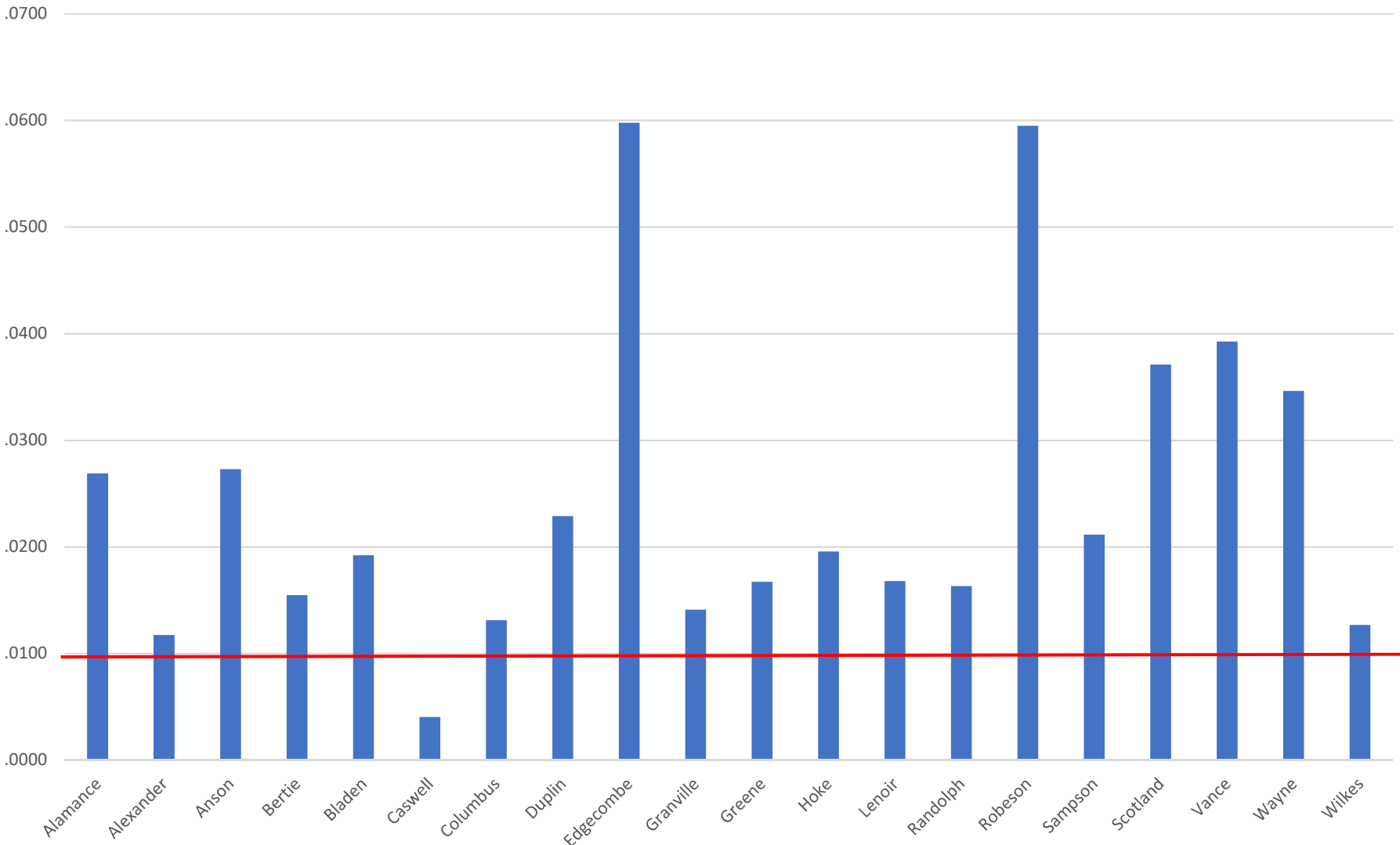


FY 2024 Comparison of Per Pupil Funding: Counties with Similar Taxable Property Per Capita



Out of 115 Local School Districts, Caswell Ranks 109th in local per pupil funding.

2023 Crime Rates Among Counties with Similar Per Capita Tax Base



Caswell County has the lowest crime rate among comparison counties and ranks 93 out of 100 counties.

Financial Indicators
Selected Data for Benchmark Counties

County	2024 Population	Population as a % of Caswell	2024 Median Age	2023 Av. Weekly Wage	2022 Per Capita Income	2024 Taxable Property Per Capita	2024 Taxable Property Per Capita Rank	2024 Property Tax Levy Per Capita	2024 Taxable Property Per Capita Rank	FY24 Tax Rate
<i>Caswell</i>	<i>22,245</i>		<i>45.1</i>	<i>\$ 870</i>	<i>\$ 41,155</i>	<i>\$81,260</i>	<i>94</i>	<i>\$597</i>	<i>93</i>	<i>0.5850</i>
Alamance	184,114	828%	40.2	\$ 978	\$ 48,980	\$139,210	45	\$601	91	0.4690
Bladen	28,850	130%	38.3	\$ 884	\$ 48,424	\$122,716	57	\$963	28	0.7850
Greene	19,939	90%	42.5	\$ 850	\$ 38,963	\$69,031	100	\$543	99	0.7860
Person	39,272	177%	43.1	\$ 926	\$ 45,304	\$138,546	46	\$1,001	23	0.7225
Rockingham	91,571	412%	44.3	\$ 854	\$ 45,332	\$94,314	81	\$655	83	0.5801

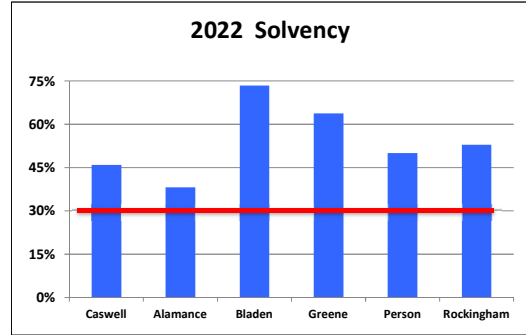
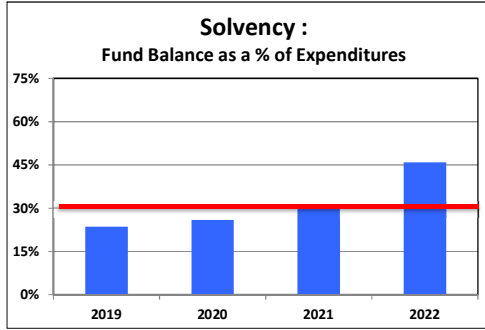
CASWELL HISTORY

BENCHMARK COUNTIES

Resource Stock

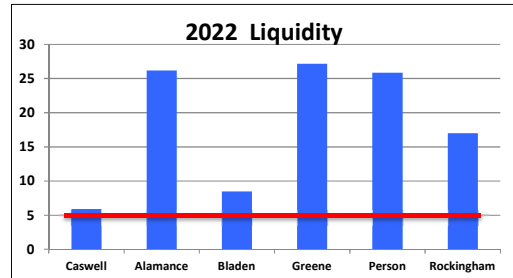
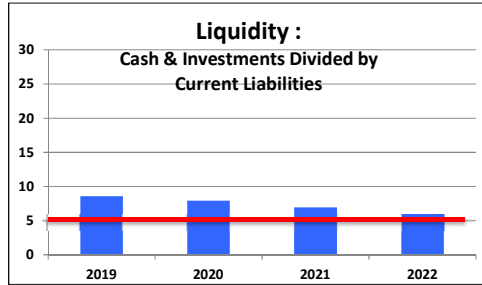
Solvency

Net Assets Ratio:
A high reation suggest a government is able to meet its long-term obligations



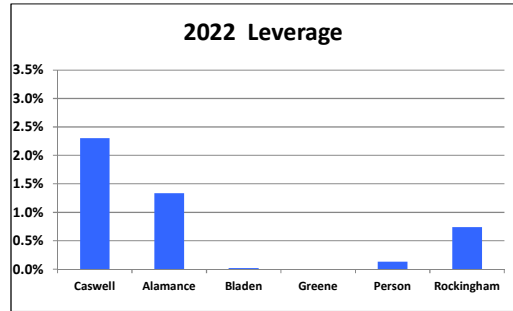
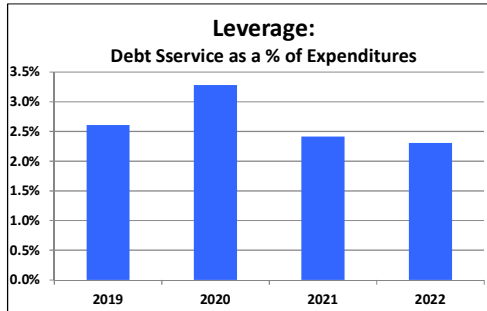
Liquidity

Quick Ratio
A high ratio suggests a government is able to meet its short-term obligations



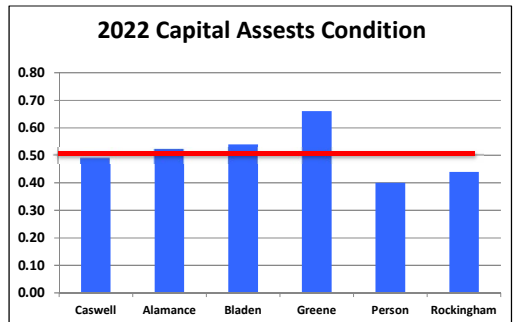
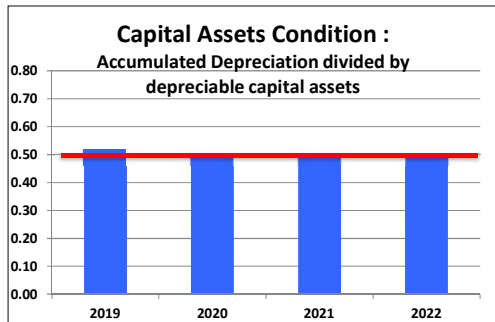
Leverage

Debt to Assets Ratio
A high ratio suggests a government is overly reliant on debt for financing assets



Capital

Capital Assets Condition Ratio
A high ratio suggests a government is investing in its capital

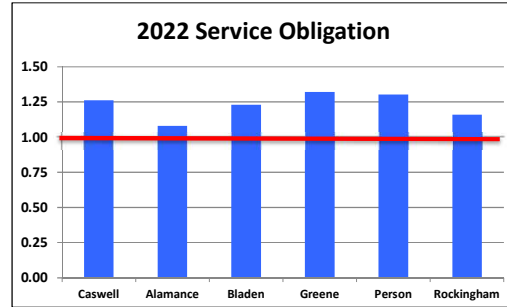
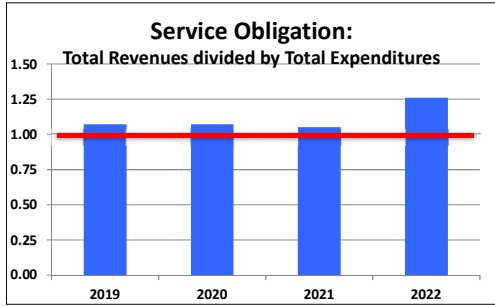


Resource Flow

Service Obligation

Operations Ratio

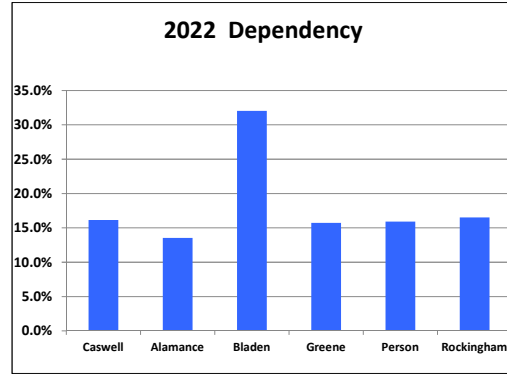
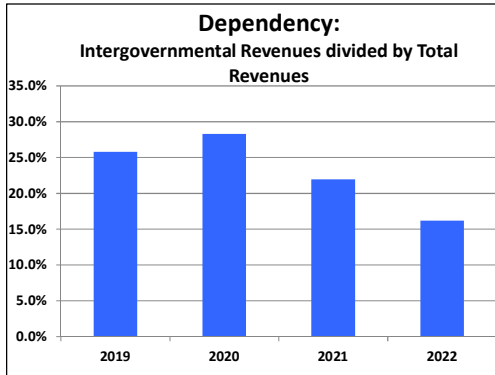
A ratio of one or higher indicates that a government lived within its annual revenue collections



Dependency

Intergovernment Ratio

A high ratio may indicate that a government is too reliant on other governments

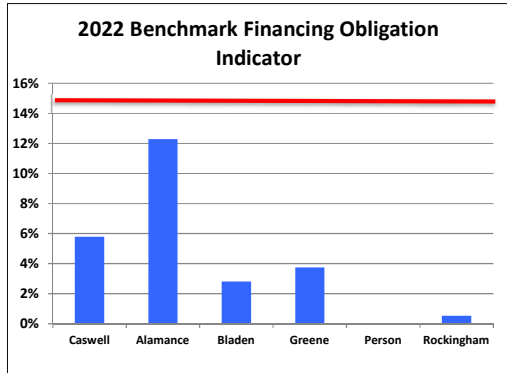
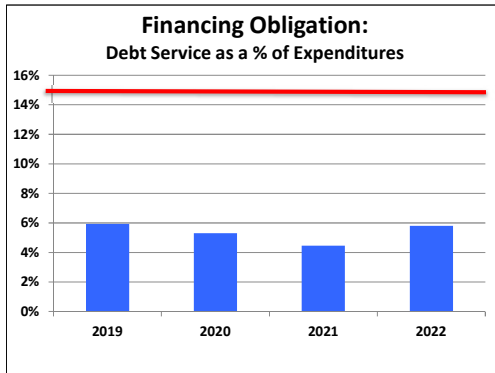


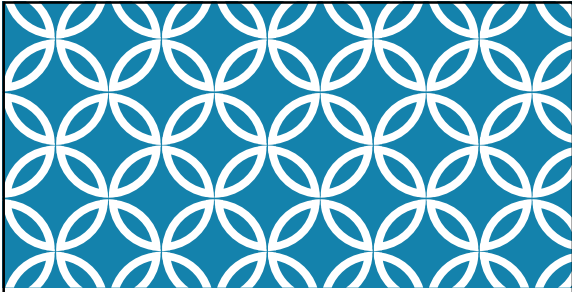
Financing

Obligation

Debt Service Ratio

Service flexibility decreases as more resources are committed to annual debt service





PRELIMINARY OUTLOOK FOR FY 2026 BUDGET

Presentation to Caswell
County Board of
Commissioners
January 25, 2025

A WORD ABOUT FY 2025—THE GOOD NEWS

Property tax—collection percentage remains very strong for locally collected taxes (99.04%)

100% collection rate for motor vehicles

Billed property values are higher than budgeted values

Building permits are strong, which are an indicator of future growth

FY 2025 REVENUE

Retreat revenue projections are difficult, but necessary to frame next year's budget

* Majority of property tax (47% of revenue) collected late December, early January—January collections have not been posted

* Only 3 months of sales tax (26% of revenue) collections available

* Some other revenues, intergovernmental, behind 1-2 months

* We have 5 months of collections for other revenues

PROPERTY TAX

Property taxes = Value * Rate * Collection Percentage

- * Values—explained on the following
- * Rate—\$8.5 cents/\$100 value
- * FY 2024 Collection Percentage—99.04%, can budget up to actual for previous year

PROPERTY TAX

Based on assessed value as of January 1 preceding start of fiscal year (January 1, 2025 for FY 2026)

Composed of:

- * Real (~78% of base), easiest to predict, mostly known at this time; except exemptions (16% of real values) which are not due until June and new construction not yet valued because of negotiations with Piner
- * Personal (~3% of base)—without growth it decreases because of depreciation; listing forms not due until April 15
- * Public utilities (~6% of base)—valued by the state; actual not known until September, well after budget adopted; tends to grow each year
- * Motor vehicles (~13% of base)—in good economy, values tend to grow each year (in poor economy, values may drop because of depreciation)

FY 2026 REVENUE

Staff projects an increase in real property tax values because building permits have been strong the last two years; amount of increase unknown until new construction appraisals complete (Piner issue)

Sales tax up slightly over last year (but saw very large refunds in September and October—refunds already more than double last year); without refunds, we are up 13% over last year

DIFFICULT TO DETERMINE FINANCIAL CONDITION FOR CASWELL

- No audits for 23 and 24
- Prior fund balance is 10% lower than like counties
- No capital reserves or capital planning
- No contingency for unexpected expenses
- Johnna's projections estimate an decrease in assigned fund balance for 2025, but very preliminary

FUND BALANCE PROJECTION

CASWELL COUNTY GENERAL FUND - FUND BALANCE HISTORY / PROJECTION

Fiscal Year	BUDGETED USE OF FUND BALANCE VERSUS ACTUAL USE				ENDING FUND BALANCE					
	Original Budget	Revised Budget	Actual	Variance to Revised	TOTAL FUND BALANCE		UNASSIGNED FUND BALANCE		ASSIGNED - SUBSEQUENT YEARS BUDGET (Part of Total)	
	Dollars	Dollars	Dollars	Dollars	Dollars	Percent	Dollars	Total	Dollars	Total
2020	(\$1,156,663)	(\$1,156,663)	\$1,384,827	\$5,541,490	\$9,879,513	34.7%	\$3,842,158	13.5%	\$1,838,639	6.5%
2021	(\$1,846,734)	(\$1,431,823)	\$1,210,663	\$3,642,486	\$11,455,196	41.7%	\$4,206,749	15.3%	\$1,967,180	7.2%
2022	(\$2,922,608)	(\$3,305,101)	\$3,245,819	\$6,550,920	\$14,942,352	53.4%	\$7,150,570	25.5%	\$1,968,004	7.0%
2023	(\$1,968,004)	(\$2,368,004)	\$2,000,000	\$4,368,004	\$16,942,352	54.8%	\$8,550,570	27.6%	\$2,555,515	8.3%
2024	(\$2,555,515)	(\$2,855,515)	\$500,000	\$1,355,515	\$17,442,352	52.4%	\$7,450,570	22.4%	\$4,153,376	12.5%
2025	(\$4,153,376)	(\$3,553,376)	(\$1,500,000)	\$2,053,376	\$15,942,352	47.7%	\$6,950,570	20.8%	\$0	0.0%

Note 1: The Fund Balance Forecasts for FY24 and FY25 are based on original budget amounts.

RECOMMENDATIONS FOR FUTURE

- Evaluate vehicle leasing program to see if bringing it in house would save money—could require additional positions
- Fire department funding does not currently allow fire departments to hire any staff. As the fire services loses more and more volunteers, the county may not be able to provide adequate fire protection through only volunteers
- Consolidation of Public Health and DSS—The county needs to get its finances straight before we can contemplate consolidation. In addition, we would need an expert to study our situation and make recommendations about whether consolidation is more efficient and effective. School of Government reports that many consolidations were more costly, at least initially. Many resources here: [Consolidated Human Services Agencies \(CHSAs\) | UNC School of Government](#)

Caswell County Fiscal Policy

Originally Proposed January 21, 2025

Caswell County will comply with NCGS Chapter 159: The Local Government Budget and Fiscal Control Act.

Caswell County has additional policies for purchasing, contracting, and use of procurement cards. Please see those policies for additional information.

FISCAL POLICY – PURPOSE

Caswell County government exists to meet the needs of residents through the services the County is mandated to provide or has elected to provide. To meet these needs, the County must maintain its financial integrity. The County's Fiscal Policy is intended to maintain and improve the County's financial condition and preserve its ability to meet future needs. This policy will be reviewed at least annually, and changes will be presented to the Board of Commissioners for approval. An effective policy:

- Contributes to the County's ability to insulate itself from fiscal crisis,
- Enhances short-term and long-term credit worthiness and helps the County achieve the highest credit and bond ratings possible,
- Promotes long-term financial stability by establishing a clear and consistent framework for budget and financial decisions,
- Directs attention to the total financial picture of the County, rather than single-issue areas,
- Links long-term financial planning with day-to-day operations, and
- Provides the County Staff, the County Board of Commissioners, and the County citizens a framework for measuring the fiscal impact of government services against established fiscal parameters.

To these ends, the following fiscal policy is adopted:

CAPITAL IMPROVEMENT PLAN (CIP) POLICIES

The county currently does not have a CIP process or policy or threshold for CIP projects. A \$50,000 threshold is proposed.

1. It is the responsibility of the County Board of Commissioners to provide for the capital equipment and facilities necessary to deliver county services to the residents of the County, as well as provide necessary capital equipment and facilities for the Caswell County Public Schools and the Piedmont Community College system.
2. North Carolina statutes charge the County Manager with preparation of the recommended capital budget. It shall be his/her

responsibility or that of his/her designee to coordinate the CIP process; receive requests from County departments, Caswell County Public Schools, and Piedmont Community College; and propose a recommended CIP to the Board of Commissioners.

3. The Board of Commissioners is responsible for adopting a CIP annually and may amend it as needed.
4. All capital projects must be proposed through the County's CIP process.
5. The CIP includes all approved capital projects, including new construction, renovations, vehicles and heavy equipment, new software and other technology, and all other purchases and improvements that meet the threshold for definition as a capital project, currently \$50,000 and above.
6. The County will develop a CIP of at least seven years and review and update the plan annually. The Caswell County Public Schools and the Community College System are strongly encouraged to submit their needs through this process, along with prioritization of their requests.
7. After projects are approved in the CIP and before the project can begin, the project must be authorized through one of two means:
 - A. Capital project ordinances: A separate capital budget ordinance shall be submitted to the Board of Commissioners for approval for all capital projects that are projected to span more than one fiscal year.
 - B. All other capital projects will be budgeted in the operating budget.
8. All capital projects will be assigned a project code by the Finance Officer for tracking and reporting purposes.
9. The CIP will prioritize the maintenance of existing facilities and equipment, and otherwise protect the county's past capital investments. A maintenance and replacement schedule will be developed and followed as funding allows.
10. County departments will provide a written justification and identify the estimated project costs, potential funding sources, and impacts on the operating budget for each proposed capital project and include this information in their requests. The County Manager or his/her designee will review, modify as appropriate, and include this information in the recommended CIP.
11. The County will pursue the most cost-effective strategies for financing the CIP, consistent with prudent fiscal management.

DEBT POLICIES

The county does not currently have debt policies.

Caswell County will follow all requirements set forth by Local Government Commission, a division of the North Carolina

Treasurer.

1. The County will confine long-term borrowing to critical capital projects that cannot be financed from current revenues unless financing results in a net financial benefit to the county.
2. The County will take a balanced approach to capital funding by utilizing capital reserves and pay-as-you-go funding where possible. Pay-as-you-go funding will come from budgeted appropriations and funds set aside in capital reserves.
3. The county's capital funding strategy should result in the least fiscal impact on current and future taxpayers.
4. When the County finances capital projects by issuing bonds or entering capital leases, it will repay the debt within a period not to exceed the expected useful life of the project. Target debt ratios will be annually calculated and included in the review of financial trends.
5. Net debt as a percentage of estimated market value of taxable property shall not exceed 2.5%. Net debt is defined as all debt that is tax-supported.

The state mandates that debt cannot exceed 8% of assessed value. The proposed threshold is much lower.

6. Debt Service expenditures as a percent of total governmental fund expenditures should not exceed 15%. Should this ratio exceed 15%, staff must request an exception from the Board of Commissioners stating the justification and expected duration of the policy exception. Exceptions shall be reviewed and approved annually by the Board of Commissioners until compliance is achieved.

The Local Government Commission likes to see that debt service is no more than 15% of the operating budget.

7. The County will retire tax anticipation debt, if any, annually and will retire bond anticipation debt within six months after completion of the project.
8. Outstanding tax-supported debt principal shall be no less than 50.0% repaid in 10 years.

Another metric that the LGC likes to see.

9. Enterprise Debt Policies:
 - A. The Enterprise Fund is responsible for setting rates and charges at such a level which maintains the "self-supporting" nature of the fund, including capital costs.
 - B. The Enterprise Fund will comply with all applicable bond covenants.

Currently, enterprise funds do not cover future capital costs.

RESERVE POLICIES

Currently, the county has no policies on fund balance. This is probably the most important policy and metric when it comes to fiscal management and credit worthiness. Thresholds are proposed for the general fund: 15% minimum for unassigned with a 20% target and 30% for total fund balance; and for enterprise funds: 50% of operating and maintenance costs.

1. The County will maintain a minimum Unassigned Fund Balance, as defined by the Governmental Accounting Standards Board, at the close of each fiscal year equal to 15% of General Fund Expenditures with a targeted Unassigned Fund Balance equal to 20% of General Fund Expenditures. The County will maintain a total fund balance, including debt reserves, of 30%
2. In the event that funds are available over and beyond the 20% targeted amount for unassigned fund balance, those funds may be transferred to a capital reserve fund, a capital projects fund, to pay down debt or to fund other one-time uses. Such transfers or uses shall be approved by the Board of County Commissioners in conjunction with a staff recommendation based upon a fund balance analysis to be completed within six months of the close of each fiscal year taking into consideration the prior year's financial statements, current year-to-date budget performance, current property tax valuations and the County's most recently adopted capital improvements plan.
3. The County Board may, from time-to-time, utilize fund balances that will reduce Unassigned Fund Balance below the 15% minimum for the purposes of a declared fiscal emergency or other such purpose as to protect or enhance the long-term fiscal security of the County. In such circumstances, the Board will adopt a plan to restore the Unassigned Fund Balance to the target level within 36 months. If restoration cannot be accomplished within such time period without severe hardship to the County, then the Board will establish a different but appropriate time period.
4. Enterprise Reserve Policies: The County has adopted a comprehensive strategy for the long-term stability and financial health of each Enterprise Fund that provides for annual increases in fund reserves to an established goal of 50% of operating and maintenance expenses.

BUDGET DEVELOPMENT POLICIES

The county currently has no policies on budget development. The budget ordinance does provide for powers of the budget officer/county manager. Where the proposed policy differs, a note is included below.

1. The County will manage its annual budget to meet its legal and debt obligations, ensure adequate funding of current service levels, meet the priorities of the Board of Commissioners, maintain the County's financial condition, and keep property tax increases to a minimum. The County shall operate under an annual balanced budget ordinance whereby the sum of net revenues and appropriated fund balances equals the expenditure appropriations.
2. The Budget Process will comply with the North Carolina Local Government Budget and Fiscal Control Act.
3. North Carolina statutes charge the County Manager with preparation of the recommended operating budget. It shall be his/her

responsibility or that of his/her designee to coordinate the budget process; receive requests from County departments, Caswell County Public Schools, and Piedmont Community College; and propose a recommended budget to the Board of Commissioners.

4. The Board of Commissioners is responsible for adopting an annual operating budget and may amend it as needed.
5. Use of one-time revenues: One-time revenues should not support ongoing personnel and operating costs. Use of one-time revenues is appropriate for capital outlay, CIP projects, debt retirement, contribution to capital reserve, and other non-recurring expenses. Proceeds from the sale of surplus capital items will go into the County's general capital reserve unless proceeds are otherwise restricted.
6. The County will pursue an aggressive policy to collect current and delinquent property taxes, licenses, permits and other revenues due to the County. **The County will not waive any revenues due to the County unless those revenues were collected unlawfully.**

The county currently has no policy on waiving revenue collection.

7. The Finance Officer will generate reports that show actual revenues and expenditures compared to the budget and will present this to the County Board of Commissioners monthly.
8. Budget amendments will be brought to the County Board of Commissioners for consideration as needed.
9. New or increased services: The County should ensure adequate funding of current services before funding new or enhanced services.
10. Mid-year appropriations: All agencies supported by the county must function within the resources made available to them through the annual budget. The county will consider requests for new or expanded programs during the regular budget process. Only in extreme circumstances will such requests be considered outside of the budget process.
11. Funding-of Outside Agencies: From time to time, the County may elect to provide services through nonprofit agencies if those services meet the standard for public purpose as defined by the NC Constitution and the services can be achieved more cost effectively through the nonprofit. To receive county funding, nonprofits must abide by the county's budget process and deadlines, provide the information requested during the budget process, and sign a funding contract.
12. Grants: The County will pursue federal, state, and private grants to enhance services to County residents. However, the County will limit its financial support of grant- funded programs to avoid commitments that continue beyond funding availability. The County will not continue programs after grants have expired, except as expressly approved by the Board of Commissioners as part of the annual budget process. The grant approval process will proceed as follows:
 - a. If a grant does not require any county match, either cash or in-kind, and the funder does not expect the county to

continue to fund a position or a program after the grant, then the proposal can be reviewed and approved by the County Manager. However, the County Manager may choose to present a grant proposal to the Board for approval, if he/she feels that it is appropriate. This does not waive the requirement for a budget amendment to accept the revenue.

- b. If the grant requires a county match, either cash or in-kind, or the funder expects the county to continue to fund a position or program after the grant is complete, then the grant application must be submitted to the Board of Commissioners for approval.

Currently, the budget ordinance is unclear. It gives the County Manager the authority to execute grant agreements, but does not explicitly require approval from the Board. If the grant obligates the county through a match or the expectation that the county will pick up the grant when funding expires, this policy makes it clear that the Board must approve.

- c. For grants that require Board of Commissioner approval, but approval cannot be obtained before the grant deadline, the County Manager can authorize the application with prior notice to the Chair and Vice Chair and report to the Board of Commissioners at their next meeting. If the Board of Commissioners does not approve the grant proposal, the funder will be notified that the county chooses to withdraw the application.
- d. Departments shall be responsible for timely completion and filing of reports required by the grantor. Missing report deadlines shall be grounds for denying approval of future grant applications.

13. New positions: new positions for existing programs and services should be added when there is no other viable option.

Alternatives, such as contracting, technology, and reassignment of duties should be fully explored and documented before new positions are funded.

14. Level of budgeting: To tie costs to specific services, departments shall submit budgets for each of their divisions or program areas. Department heads are authorized to request transfers of operating funds between their budgeted divisions. The Budget Officer must approve transfers. The County shall adopt budgets at the department level. Commissioners reserve the right to review and/or adopt budgets at a greater level of detail.

The budget is currently adopted by division, not by department. This change gives department heads greater flexibility in maintaining their total budget. The Budget Ordinance currently gives the Budget Officer/County Manager authority to transfer up to \$25,000 between departments.

15. Justification for funding: Departments and agencies requesting funding from the county should justify their requests in terms of maintaining or increasing service levels. Departments should measure their performance in key service areas and periodically compare their performance to other jurisdictions to discover efficiencies and develop best management practices.

16. Contingency funds: Departments shall not include contingency funds in their respective budgets. The county shall include a general contingency fund in its annual budget. The amount of the contingency fund shall not exceed one percent of the annual budget.

Currently the budget does not contain contingency funds. I recommend using contingency as a way to manage “what-if” budget requests from departments. Essentially, these “what-ifs” are included in a central contingency managed by the County Manager. Transfers are only authorized when the are need. In other words, the department budget is not inflated by these “what-ifs” unless they come to reality.

17. Budget Officer: The County Manager serves as the budget officer. He/she is authorized to perform the following functions or delegate them:

- a. Transfer funds within a department without limitation.
- b. Transfer amounts of up to \$25,000 between departments of the same fund with a memorandum report on such transfers at the next regular meeting of the Board of Commissioners.
- c. Transfer amounts of up to \$25,000 from contingency to any department with a memorandum report of such transfers at the next regular meeting of the Board of Commissioners. Greater amounts can be made available upon the agreement of the Board of Commissioners.

Since the county currently has no contingency, no authority is provided for transfers.

- d. Employ temporary help from time to time to meet circumstances.

The county currently has no explicit authority for this.

- e. Execute contracts if funds for the contract have been approved as part of the annual budget and the contract does not exceed the funds appropriated, the contract’s term does not exceed one year, all applicable state laws and county policies regarding purchasing are followed, and the contract does not exceed \$25,000.
- f. Execute leases if funds have been approved as part of the annual budget and the lease does not exceed the funds appropriated, the lease term does not exceed one year, and the lease does not exceed \$50,000.
- g. Execute on behalf of the Board of Commissioners any other contract, change order, purchase order or other instrument incurring any obligation which is specifically approved by the Board of Commissioners.

This provision explicitly gives the manager authority to execute (sign) all contracts approved by the board. This is to improve efficiency and timeliness of contract execution.

- h. Authorize payment in an amount not to exceed \$5,000 in settlement of any liability claims against the County or against any of its officers or employees.

The county does not currently have this provision.

18. Enterprise Funds:

- a. The County maintains Enterprise Funds (solid waste and Caswell Area Transit System) that are self-sustaining for both operational and capital purposes. The Enterprise Funds will adhere to the County Fiscal Policy with any exceptions noted in the policy.
- b. Any improvements required to meet new regulatory requirements or to meet changes in the service demands will be included in either the capital improvement plan or the annual budget request, depending on the cost of the improvement.
- c. Service rates:
 - i. Service rates will be reviewed annually as part of the budget process.
 - ii. Service rates will be adjusted as needed to provide adequate funding for the proper operation, maintenance, and expansion of the system.
 - iii. Service rates will be adjusted as necessary to meet bond covenants, debt service obligations, and the Adopted Fiscal Policy.

CASH MANAGEMENT/ INVESTMENT POLICIES

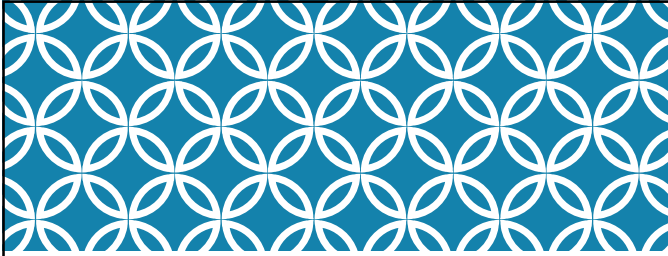
Currently, Caswell County has no cash management policy.

1. It is the intent of the County that public funds will be invested in interest bearing accounts to the extent possible to reduce the dependence upon property tax revenues. Funds will be invested with the chief objectives of safety of principal, liquidity, and yield, in that order. All deposits and investments of County funds will be in accordance with N.C.G.S. 159.
2. Up to one-half (50%) of the appropriations to Non-County Agencies and to non-debt supported capital outlays for County Departments can be encumbered prior to December 31. Any additional authorization shall require the County Manager's written approval upon justification. The balance of these appropriations may be encumbered after January 1, upon a finding by the County Manager that there is a reasonable expectation that the County's Budgeted Revenues will be realized.
3. The County will use a Central Depository to maximize the availability and mobility of cash for all funds that can be legally combined.

4. Cash Flows will be forecasted, and investments will be made to mature when funds are projected to be needed to meet cash flow requirements.
5. Liquidity: No less than 20% of funds available for investment will be maintained in liquid investments at any point in time.
6. Maturity: All investments will mature in no more than sixty (60) months from their purchase date.
7. Custody: All investments will be purchased "payment-verses-delivery" and if certificated will be held by the Finance Officer in the name of the County. All non-certificated investments will be held in book-entry form in the name of the County with the County's third-party Custodian (Safekeeping Agent).
8. Authorized Investments: The County may deposit County Funds into: Any Board approved Official Depository if such funds are secured in accordance with NCGS 159-01 and 159-31. The County may invest idle funds in the North Carolina Capital Management Trust, North Carolina Investment Pool, US Treasury Securities, US Agency Securities specifically authorized in GS-159 and rated no lower than "AAA", and Commercial Paper meeting the requirements of NCGS-159 plus having a national bond rating.
9. Diversification: No more than 25% of the County's investment funds may be invested in commercial paper.
10. Allocation: Investment income will be allocated to each participating fund or account based on a fair and equitable formula determined by the Finance Officer.

SUMMARY OF KEY POLICY RATIOS

Ratio	Target
Tax Supported Debt to Assessed Value:	<2.5%
Tax Supported Debt Service vs. Expenditures:	<15.0%
Tax Supported 10- Year Payout Ratio:	>50.0%
General Fund Unassigned Fund Balance as a Percent of Operating Budget:	>15.0%
Enterprise Fund Reserves as a Percent of Operating and Maintenance:	>50%



CAPITAL REPLACEMENTS

Presentation to the Caswell
County Board of Commissioners
January 25, 2025

PROPOSED POLICY

Each department's list of capital assets shall be evaluated annually and a replacement date and cost projected.

The projected replacement cost (I used current costs for this analysis) will be divided over the remaining useful life and that amount will be set aside annually in the Capital Replacement Reserve.

If unassigned fund balance is above the amount set by the fund balance policy, it may be appropriated to cover this expense, as long as the appropriation would not reduce fund balance below the stated threshold.

Each year, departments will include a list of replacement capital in its budget request. The budget officer will evaluate the requests and determine which requests should be recommended, along with the amount to transfer from the Capital Replacement Reserve. The requests should meet the following criteria:

- * It must not be an additional asset, but must replace an existing asset. Spares may be replaced in accordance with an approved policy.
- * The item must be at least \$20,000 in value.
- * The item should either be within one year of the end of its useful life or be fully justified as to why replacement is necessary in the upcoming budget.
- * The policy does not apply to buildings, but does apply to building systems, such as roofs, HVAC systems, repaving of parking lots, repainting, flooring, windows, etc.

METHODOLOGY

Inflated acquisition price to current cost (or used current estimate)

Divided price by useful life

This is the annual amount we should be setting aside (not factoring in replacement date and inflation)

We could still have large purchases hitting before fund has accumulated sufficient funds for ongoing replacement (**many assets are past their useful life**)

Recommend increasing amount set aside each year by rate of inflation

Standard vehicle replacements not included (assume lease)

CATS ENTERPRISE

Should be setting aside \$16,000 per year + inflation

SOLID WASTE

Should be setting aside \$110,000 per year + inflation

BUILDING MAINTENANCE

Roofs: Methodology is different because we already have inflated costs
\$615,000 needed for 2026, but several roof replacements are needed soon; future years could be allocated
For example, if we assume paying outright for roofs until 2030 (\$367,000), we can set aside \$250,000 annually to cover roofs through 2039
FY 2026 impact would be \$335,500 (\$250,000 + \$85,550)

BUILDING MAINTENANCE—HVAC UNITS

Should be setting aside \$45,000 annually + inflation

EMS

Should be setting aside \$250,000 per year + inflation

SHERIFF

Should be setting aside \$20,000 per year + inflation

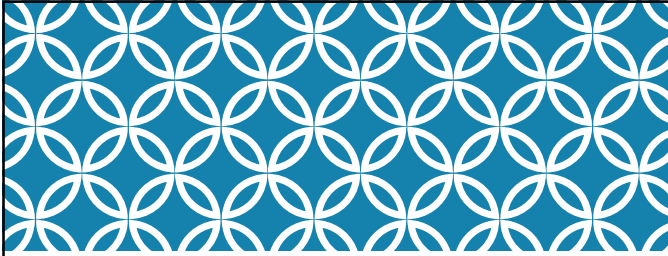
SUMMARY

General Fund should be setting aside \$565,000 annually + inflation

Solid Waste should be setting aside \$110,000 annually + inflation

CATS should be setting aside \$16,000 annually + inflation

This does not include other departments or other building repair, such as repaving



FY 2026 FEES

Presentation to Caswell County
Board of Commissioners
January 25, 2025

DEPARTMENTS REVIEWING FEE STRUCTURE

- Solid Waste
- Parks & Recreation
- EMS
- Health
- Pelham Water

SOLID WASTE

Enterprise fund
Should be covering all costs plus capital replacements
In FY 2022 had a slight deficit
Depreciation expense was \$81,170.06 (theoretically we should be setting aside at least this much)
I've asked the Solid Waste Director to look at a different fee structure that would include all county residents and cover :

- * Fee for disposal costs charged to county residents without a private hauler
- * Fee for availability of collection centers charged to all county residents and businesses

PARKS & RECREATION

I have proposed a fee structure that would cover:

- 50% of direct costs for youth programs
- 100% of direct costs for adult programs
- Recover utility costs in space rentals

EMERGENCY MEDICAL SERVICES

Fees are typically set at 150 to 200% of Medicare reimbursement rate

Our contracted billing company is recommending adjustments for FY 2026 to the fees in red

Level Of Service	2025 Medicare Allowable (Rural)	Current Charge	Recommended (150% MFS)	Recommended (200% MFS)	Nearby Provider #1	Nearby Provider #2	Nearby Provider #3
ALS NE A0426	\$127	\$508	\$490	\$654	684	490	477
ALS E A0427	\$518	\$760	\$777	\$1,035	1,034	750	743
BLS NE A0428	\$272	\$450	\$409	\$545	544	290	399
BLS E A0429	\$416	\$650	\$654	\$872	873	650	639
ALS 2 A0433	\$749	\$900	\$1,104	\$1,499	1,493	780	1,078
Specialty Care Transports A0434	\$886	\$1,200	\$1,328	\$1,771	1,478	1,050	1,297
Rural Mileage 1B+ A0425	\$9	\$17	\$14	\$18	19	15	15
Rural Mileage A0425 1-171	\$14	N/A	\$21	\$28	18	15	15

EMS PAYOR MIX

Primary Payor Mix
6-12 Month Mature Average

Primary Payor	% of Trips
Medicare	14%
Medicare Advantage	34%
Insurance	8%
Medicaid	10%
Medicaid MCO	11%
Patient	20%
Facility	0%
Other Govt. Payers	2%
TPL	0%

HEALTH

Health fees are usually adjusted annually to mirror Medicaid reimbursement rates (otherwise, we will lose Medicaid dollars)
Health is requesting this again for FY 2026

PELHAM WATER

In FY 2022 expense for water was \$39,229.60, not including Maintenance Department's time to maintain the system
Revenue was \$4,600.02

We are paying for 65,000 gallons per day of capacity at a much higher rate than what we pay for actual water/sewer usage

Not sure if school is paying us for water/sewer

Will be connecting Cherokee Tobacco and CEAD

Also need to review connection fees and increase

2. The City and the County are, therefore, hereby released and discharged from the performance of the paragraph 14 or portions thereof, of the aforesaid agreement and prior amendments which currently provide that:

14. CAPACITY PROVIDED.

8. It is hereby agreed that the City will receive for and provide the County 110,000 gallons per day capacity for potable water and 370,000 gallons per day capacity for wastewater treatment (sewerage treatment).

3. In consideration of the aforesaid release and discharge, the City and the County hereby modify and amend paragraph 14 or portions thereof, of the aforesaid contract and prior amendments as shown below, and hereby agree to perform the following in lieu of the performance from which they are released and discharged:

14. CAPACITY PROVIDED.

8. It is hereby agreed that the City will receive for and provide the County 65,000 gallons per day capacity for potable water and 45,000 gallons per day capacity

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- 2 -

Caswell County

Strengths, Challenges and Moving Forward

January 25, 2025

Facilitators:
Amy Cannon, NCACC Outreach Associate
Johnna Sharpe, NCACC County Consultant

Session Overview

Responsibilities / Partners / Plans

Commissioners Pre-Session Survey Input

Identifying Priorities in Focus Areas

2

Reason for Running For Board

Influence direction – not become Orange or Alamance	Open and honest government	Promote economic development
Concerns over leadership and finances	Not just talk about things, but do something	Support a sense of community and have a positive impact

3

Major Accomplishments

Project Acre	Holding the line on taxes	Catching up financial audits	Approval of ABC sales before noon on Sunday
Decisions to improve financial situation and services	Improved Board Relationships	Old Courthouse Renovation	Revenue neutral tax rate for 2025 budget

Major Themes from Commissions

Controlled Growth & Rural Preservation	Collaboration and Partnerships	Infrastructure Development
Support for Youth and Seniors	Transparency & Communication	Staff Support & Operational Efficiency

What is important to Constituents

Creating jobs / Increasing tax base	Holding the line on taxes	Fiscal stewardship
Better infrastructure	Transparency & communication	Maintaining rural charm

Focus Areas

- Economic Development
- Public Safety
- Human Services
- Education
- Active & Vibrant Living
- Operations

ECONOMIC DEVELOPMENT		
Direct Responsibility	Partners	Existing Plans
CATS NC Cooperative Extension Soil & Water Conservation Economic Development Function with County Gov't	Town of Yanceyville (Water & Sewer) State Department of Commerce <i>Others?</i>	Economic Incentives <div style="text-align: center; font-size: 2em; color: #0070c0; border: 1px solid #0070c0; border-radius: 50%; width: 30px; height: 30px; margin: 0 auto;">?</div>

ECONOMIC DEVELOPMENT COMMISSIONER INPUT		
Challenges	Board's Role	Vision
Controlled economic growth that maintains rural nature Improving County's image Infrastructure needs Increasing tax base	Work together as a Board Enhance public / private partnerships Work together with the community / municipal partners Work with the state	Economic growth tied to agriculture Expanded water & sewer Interstate corridor connecting VA & Northern Piedmont Retain youth for workforce

ECONOMIC DEVELOPMENT DISCUSSION

Broad questions

What success can you build upon?

What are the most pressing priorities?

What partnerships or resources are critical for future progress?

Specific questions

How do you balance economic development and preserving the rural character?

10

Focus Areas

Economic Development

Public Safety

Human Services

Education

Active & Vibrant Living

Operations

11

PUBLIC SAFETY		
Direct Responsibility	Partner	Existing Plans
Sheriff's Office Emergency Management Fire Marshal EMS	State & Federal Agencies JCPC Court System Volunteer Fire Depts Town of Yanceyville Public Schools	Emergency Mgmt Plan(s)

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**PUBLIC SAFETY
COMMISSIONER INPUT**

Challenges	Board's Role	Vision
Recruitment and retention for Sheriff, EMS, 911 Volunteers for rural fire departments	Establishing competitive pay and benefits	Stable and qualified workforce

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**PUBLIC SAFETY
DISCUSSION**

Broad questions	Specific questions
What success can you build upon? What are the most pressing priorities? What partnerships or resources are critical for future progress?	What resources are most critical to ensuring public safety?

14

Focus Areas

- Economic Development
- Public Safety
- Human Services
- Education
- Active & Vibrant Living
- Operations

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HUMAN SERVICES		
Direct Responsibility	Partner	Existing Plans or Initiatives
Public Health	State & Federal Agencies	Opioid Strategic Plan
Social Services (DSS)	Schools	NC DHHS MOA
Family Services	Health Care Providers	Community Health Assessment (CHA)
Section 8 Housing	Local Management Entity/Managed Care Organization	
	Faith and Nonprofit Organizations	

HUMAN SERVICES COMMISSIONER INPUT		
Challenges	Board's Role	Vision
Support for youth and seniors	Leadership on Health and DSS Boards	A thriving community
Addressing challenges of vulnerable populations		

HUMAN SERVICES DISCUSSION	
Broad questions	Specific questions
What success can you build upon?	What services or programs have the most significant impact on youth and seniors?
What are the most pressing priorities?	Are there gaps in partnerships to address needs effectively?
What partnerships or resources are critical for future progress?	

Focus Areas

- Economic Development
- Public Safety
- Human Services
- Education
- Active & Vibrant Living
- Operations

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EDUCATION		
Direct Responsibility	Partner	Existing Plans or Initiatives
Public Schools Operational Funding Caswell County Libraries Facilities for K-12 and Community College	Caswell County Board of Education Piedmont Community College Private/Home Schools	<div style="background-color: #0070c0; color: white; border-radius: 50%; width: 30px; height: 30px; display: flex; align-items: center; justify-content: center; margin: 0 auto;"> ? </div>

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EDUCATION COMMISSIONER INPUT		
Challenges	Board's Role	Vision
Attracting graduates to stay and work in Caswell	Statutory- facilities and local current expense funding Communications between Board of Education & Commissioners	Education as a key driver of workforce retention and development

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EDUCATION DISCUSSION

Broad questions

What success can you build upon?

What are the most pressing priorities?

What partnerships or resources are critical for future progress?

Specific questions

How can County and School Leadership best partner for educational success?

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Focus Areas

- _____ Economic Development
- _____ Public Safety
- _____ Human Services
- _____ Education
- Active & Vibrant Living
- _____ Operations

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ACTIVE & VIBRANT LIVING		
Direct Responsibility	Partner	Existing Plans or Initiatives
Parks & Recreation Caswell County Library NC Cooperative Extension Human Resources (Employee Wellbeing)	Tourism Development Authority Arts Council Landowners – hunting opportunities Others??	<div style="background-color: #2e7d32; color: white; border-radius: 50%; width: 30px; height: 30px; display: flex; align-items: center; justify-content: center; margin: 0 auto;"> ? </div>

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**ACTIVE & VIBRANT LIVING
COMMISSIONER INPUT**

Challenges	Board's Role	Vision
?	?	?

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**ACTIVE & VIBRANT LIVING
DISCUSSION**

Broad questions	Specific questions
<p>What success can you build upon?</p> <p>What are the most pressing priorities?</p> <p>What partnerships or resources are critical for future progress?</p>	<p>What initiatives can enhance resident's quality of life?</p>

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Focus Areas

- Economic Development
- Public Safety
- Human Services
- Education
- Active & Vibrant Living
- Operations

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OPERATIONS		
Direct Responsibility	Partner	Existing Plans or Initiatives
Administration Finance Facilities Human Resources Information Technology <i>All Other Depts</i>	Financial Advisors NCACC Local Government Commission	Financial Policies Personnel & Administrative Policies

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OPERATIONS COMMISSIONER INPUT		
Challenges	Board's Role	Vision
Overdue audits Hiring a qualified county manager Retain finance officer Effective communications to residents of what they need and want to know	Leadership and clear direction Investment in qualified staff Future planning	Timely, accurate financial information Realistic budget focused on service delivery Solid research and data by staff to guide decisions

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OPERATIONS DISCUSSION	
Broad questions	Specific questions
What success can you build upon? What are the most pressing priorities? What partnerships or resources are critical for future progress?	What policies or practices require updates? How can communications with the community be improved?

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Proposed Next Steps

Staff compiles feedback and develops draft priorities

Commissioners to review and revise priorities at a future meeting

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