

ORD-2021-017

Attachment 2

**Fiscal Year 2021-22
Budget Ordinance
Orange County, North Carolina**

Be it ordained by the Board of Commissioners of Orange County

Section I. Budget Adoption

There is hereby adopted the following operating budget for Orange County for this fiscal year beginning July 1, 2021 and ending June 30, 2022, the same being adopted by fund and activity, within each fund, according to the following summary:

Fund	Current Revenue	Interfund Transfer	Fund Balance Appropriated	Total Appropriation
General Fund	\$238,719,673	\$74,504	\$1,968,184	\$240,762,361
Emergency Telephone Fund	\$759,757	\$0	\$0	\$759,757
Fire Districts Fund	\$7,012,735	\$0	\$230,000	\$7,242,735
Section 8 (Housing) Fund	\$4,406,504	\$0	\$95,080	\$4,501,584
Community Development Fund	\$608,295	\$339,761	\$0	\$948,056
Visitors Bureau Fund	\$1,432,667	\$0	\$0	\$1,432,667
Solid Waste Operations Enterprise Fund	\$11,087,397	\$0	\$603,353	\$11,690,750
Sportsplex Operations Enterprise Fund	\$3,690,656	\$0	\$0	\$3,690,656
Community Spay/Neuter Fund	\$62,350	\$0	\$9,000	\$71,350
Article 46 Sales Tax Fund	\$4,040,576	\$0	\$0	\$4,040,576
Chapel Hill-Carrboro City Schools District Tax Fund	\$24,957,420	\$0	\$0	\$24,957,420
Parks Capital Reserve Fund	\$10,500	\$0	\$0	\$10,500
OPC Retiree Health Fund	\$4,500	\$0	\$0	\$4,500
No Fault Well Repair Fund	\$20,000	\$0	\$0	\$20,000
DSS Trust Fund	\$260,000	\$0	\$0	\$260,000
Communications Towers Trust Fund	\$15,000	\$0	\$0	\$15,000
Jail Inmate Trust Fund	\$315,000	\$0	\$0	\$315,000
OPEB Trust Fund	\$55,000	\$0	\$0	\$55,000
Community Giving Fund	\$90,000	\$0	\$0	\$90,000

Section II. Appropriations

That for said fiscal year, there is hereby appropriated out the following:

Function	Appropriation
General Fund	
Community Services	\$13,621,295
General Government	\$10,277,361
Public Safety	\$28,528,552
Human Services	\$40,547,146
Education	\$93,834,876
Support Services	\$12,881,850
Debt Service	\$40,027,279
Transfers to Other Funds	\$1,044,002
Total General Fund	\$240,762,361
Emergency Telephone System Fund	
Public Safety	\$759,757
Total Emergency Telephone System Fund	\$759,757
Fire Districts	
Cedar Grove	\$277,439
Greater Chapel Hill Fire Service District	\$276,009
Damascus	\$119,002
Efland	\$642,786
Eno	\$856,115
Little River	\$432,019
New Hope	\$808,308
Orange Grove	\$688,002
Orange Rural	\$1,631,443
South Orange Fire Service District	\$598,714
Southern Triangle Fire Service District	\$280,398
White Cross	\$632,500
Total Fire Districts Fund	\$7,242,735
Section 8 (Housing) Fund	
Human Services	\$4,501,584
Total Section 8 Fund	\$4,501,584
Community Development Fund (Housing Rehabilitation Initiative)	
Human Services	\$40,000
Total Community Development Fund (Housing Rehabilitation Initiative)	\$40,000
Community Development Fund (Housing Displacement Program)	
Human Services	\$175,000
Total Community Development Fund (Housing Displacement Program)	\$175,000
Community Development Fund (HOME Program)	
Human Services	\$477,267
Total Community Development Fund (HOME Program)	\$477,267
Community Development Fund (Homelessness Partnership Program)	
General Government	\$255,789
Total Community Development Fund (Homelessness Program)	\$255,789
Total Community Development Fund Programs	\$948,056
Visitors Bureau Fund	
General Government	\$273,929
Community Services	\$1,158,738
Total Visitors Bureau Fund	\$1,432,667
Solid Waste Operations Enterprise Fund	
Community Services - Solid Waste/Landfill Operations	\$10,223,659
Transfer to Other Funds	\$1,467,091
Total Solid Waste Operations Enterprise Fund	\$11,690,750
SportsPlex Operations Enterprise Fund	

Community Services – Sportsplex Operations	\$2,976,309
Transfer to Other Funds	\$714,347
Total Sportsplex Operations Enterprise Fund	\$3,690,656
Community Spay/Neuter Fund	
Community Services	\$71,350
Total Community Spay/Neuter Fund	\$71,350
Article 46 Sales Tax Fund	
Community Services	\$4,040,576
Total Article 46 Sales Tax Fund	\$4,040,576
Parks Capital Reserve Fund	
Community Services	\$10,500
Total Parks Capital Reserve Fund	\$10,500
Orange-Person-Chatham (OPC) Retiree Health Fund	
Support Services	\$4,500
Total OPC Retiree Health Fund	\$4,500
No Fault Well Repair Fund	
Community Services	\$20,000
Total No Fault Well Repair Fund	\$20,000
DSS Trust Fund	
Human Services	\$260,000
Total DSS Trust Fund	\$260,000
Communication Towers Trust Fund	
Community Services	\$15,000
Total Communication Towers Trust Fund	\$15,000
Jail Inmate Trust Fund	
Public Safety	\$315,000
Total Jail Inmate Trust Fund	\$315,000
OPEB Trust Fund	
Support Services	\$55,000
Total OPEB Trust Fund	\$55,000
Community Giving Fund	
Community Services	\$90,000
Total Community Giving Fund	\$90,000

Section III. Revenues

The following fund revenues are estimated to be available during the fiscal year beginning July 1, 2021 and ending June 30, 2022, to meet the foregoing appropriations:

Function	Appropriation
General Fund	
Property Tax	\$177,661,825
Sales Tax	\$26,702,047
Licenses & Permits	\$274,550
Intergovernmental	\$18,226,773
Charges for Services	\$12,478,132
Investment Earnings	\$10,000
Miscellaneous	\$3,366,346
Transfers from Other Funds	\$74,504
Appropriated Fund Balance	\$1,968,184
Total General Fund	\$240,762,361
Emergency Telephone System Fund	
Charges for Services	\$759,757
Total Emergency Telephone System Fund	\$759,757
Fire Districts	
Property Tax	\$7,011,750
Investment Earnings	\$985

Appropriated Fund Balance	\$230,000
Total Fire Districts Fund	\$7,242,735
Section 8 (Housing) Fund	
Intergovernmental and General Government	\$4,406,504
Appropriated Fund Balance	\$95,080
Total Section 8 Fund	\$4,501,584
Community Development Fund (Housing Rehabilitation Initiative)	
From General Fund	\$40,000
Total Community Development Fund (Housing Rehabilitation Initiative)	\$40,000
Community Development Fund (Housing Displacement Program)	
From General Fund	\$175,000
Total Community Development Fund (Housing Displacement Program)	\$175,000
Community Development Fund (HOME Program)	
Intergovernmental	\$430,726
Program Income	\$13,306
From General Fund	\$33,235
Total Community Development Fund (HOME Program)	\$477,267
Community Development Fund (Homelessness Partnership Program)	
Intergovernmental and General Government	\$164,263
From General Fund	\$91,526
Total Community Development Fund (Homelessness Partnership Program)	\$255,789
Total Community Development Fund Programs	\$948,056

Visitors Bureau Fund	
Occupancy Tax	\$1,131,101
Sales & Fees	\$64,640
Intergovernmental	\$236,926
Total Visitors Bureau Fund	\$1,432,667
Solid Waste Operations Enterprise Fund	
Sales & Fees	\$10,604,653
Intergovernmental	\$258,500
Miscellaneous	\$66,244
Licenses & Permits	\$143,000
Interest on Investments	\$15,000
Appropriated Reserves	\$603,353
Total Solid Waste Operations Enterprise Fund	\$11,690,750
Sportsplex Operations Enterprise Fund	
Charges for Services	\$3,690,656
Total Sportsplex Operations Enterprise Fund	\$3,690,656
Community Spay/Neuter Fund	
Animal Tax	\$27,000
Intergovernmental	\$25,000
Miscellaneous	\$10,350
Appropriated Fund Balance	\$9,000
Total Community Spay/Neuter Fund	\$71,350
Article 46 Sales Tax Fund	
Sales Tax Proceeds	\$4,040,576
Total Article 46 Sales Tax Fund	\$4,040,576
Parks Capital Reserve Fund	
General Government Revenue	\$10,500
Total Parks Capital Reserve Fund	\$10,500
Orange-Person-Chatham (OPC) Retiree Health Fund	
General Governemnt Revenue	\$4,500

<i>Total OPC Retiree Health Fund</i>	\$4,500
No Fault Well Repair Fund	
Charges for Services	\$20,000
<i>Total No Fault Well Repair Fund</i>	\$20,000
DSS Trust Fund	
General Government Revenue	\$260,000
<i>Total DSS Trust Fund</i>	\$260,000
Communication Towers Trust Fund	
Charges for Services	\$15,000
<i>Total Communication Towers Trust Fund</i>	\$15,000
Jail Inmate Trust Fund	
Miscellaneous	\$315,000
<i>Total Jail Inmate Trust Fund</i>	\$315,000
OPEB Trust Fund	
General Government Revenue	\$55,000
<i>Total OPEB Trust Fund</i>	\$55,000
Community Giving Fund	
Donations	\$90,000
<i>Total Community Giving Fund</i>	\$90,000

Section IV. Tax Rate Levy

There is hereby levied for the fiscal year 2021-22 a general county-wide tax rate of 81.87 cents per \$100 of assessed valuation. This rate shall be levied in the General Fund. Special district tax rates are levied as follows:

Cedar Grove	7.63
Greater Chapel Hill Fire Service District	13.87
Damascus	10.80
Efland	7.28
Eno	8.98
Little River	6.39
New Hope	10.12
Orange Grove	6.27
Orange Rural	9.49
South Orange Fire Service District	9.09
Southern Triangle Fire Service District	10.80
White Cross	12.34
Chapel Hill-Carrboro City School District	18.30

Section V. General Fund Appropriations for Local School Districts

The following FY 2021-22 General Fund Appropriations for Chapel Hill-Carrboro City Schools and Orange County Schools are approved:

- a) Current Expense appropriation for local school districts totals \$89,353,187, and equates to a per pupil allocation of \$4,367.
 - 1) The Current Expense appropriation to the Chapel Hill-Carrboro City Schools is \$53,936,817.
 - 2) The Current Expense appropriation to the Orange County Schools is \$35,416,370.

- b) School Related Debt Service for local school districts totals \$23,738,246.
- c) Additional County funding for local school districts totals \$3,629,597
 - School Resource Officers and School Health Nurses Contracts - total appropriation of \$3,629,597 to cover the costs of School Resource Officers in every middle and high school, and a School Health Nurse in every elementary, middle, and high schools in both school systems.

Section VI. Schedule B Privilege Licenses

In accordance with Schedule B of the Revenue Act, Article 2, Chapter 105 of the North Carolina State Statutes, and any other section of the General Statutes so permitting, there are hereby levied privilege license taxes in the maximum amount permitted on businesses, trades, occupations or professions which the County is entitled to tax.

Section VII. Animal Licenses

A license costing \$10 for sterilized dogs and sterilized cats is hereby levied. A license for un-sterilized dogs and a license for un-sterilized cats is \$30 per animal.

Section VIII. Board of Commissioners' Compensation

The Board of County Commissioners authorizes that:

- For fiscal year 2021-22, the approved budget does not include a wage increase, but does include the resumption of the Merit Pay Program.
- Annual compensation for County Commissioners will include the County contribution for health insurance, dental insurance and life insurance that is provided for permanent County employees, provided the Commissioners are eligible for this coverage under the insurance contracts and other contracts affecting these benefits.
- County Commissioners' compensation includes eligibility to continue to participate in the County health insurance at term end as provided below:
 - If the County Commissioner has served less than two full terms in office (less than eight years), the Commissioner may participate by paying the full cost of such coverage. (If the Commissioner is age 65 or older, Medicare becomes the primary insurer and group health insurance ends.)
 - If the County Commissioner has served two or more full terms in office (eight years or more), the County makes the same contribution for health insurance coverage that it makes for an employee who retires from Orange County after 20 years of consecutive County service as a permanent employee. If the Commissioner is age 65 or older, Medicare becomes the primary insurer and group health insurance ends. The County makes the same contribution for Medicare Supplement coverage that it makes for a retired County employee with 20 years of service.
 - Annual compensation for Commissioners will include a County contribution for each Commissioner to the Deferred Compensation (457) Supplemental Retirement Plan that is the same as the County contribution for non-law enforcement County employees in the State 401 (k) plan. For fiscal year 2021-22, the approved budget continues the

County contribution of \$27.50 per pay period and a County contribution match of up to \$63.00 semi-monthly.

Section IX. Budget Control

General Statutes of the State of North Carolina provide for budgetary control measures to exist between a county and public school system. The statute provides:

Per General Statute 115C-429:

(c) The Board of County Commissioners shall have full authority to call for, and the Board of Education shall have the duty to make available to the Board of County Commissioners, upon request, all books, records, audit reports, and other information bearing on the financial operation of the local school administrative unit.

The Board of Commissioners hereby directs the following measures for budget administration and review:

That upon adoption, each Board of Education will supply to the Board of County Commissioners a detailed report of the budget showing all appropriations by function and purpose, specifically to include funding increases and new program funding. The Board of Education will provide to the Board of County Commissioners a copy of the annual audit, monthly financial reports, copies of all budget amendments showing disbursements and use of local moneys granted to the Board of Education by the Board of Commissioners.

The Board of Commissioners hereby approves the following financial policies:

- The County will not initiate any capital funding until October 1, 2021, and pending a review of the first quarter financial report, with the exception of County appropriations to the school districts and any other County Manager exceptions.
- The County will initiate measures to recoup sales tax proceeds on school capital projects through the conveyance of school property to the County with the school property reverting back to the school districts at the end of the construction period.
- The County will ensure that all monthly general ledger postings occur by the 10th work day of each month.
- The County will ensure that monthly financial reports are available by the 15th work day of each month.
- The County will not issue debt for a project until a bid award date and construction start date is established.
- Whereas, it is a best practice for governments to account for capital assets separate from their operating funds, and; Whereas, enterprise funds generally establish Renewal and Replacement Capital Funds to account for the acquisition of capital assets; Therefore,
 - a. The Solid Waste Renewal and Replacement Capital Fund is established to account for sources of income earmarked to fund the County Capital Investment Plan. Sources of income including debt financing proceeds, pay-as-you-go funds, and any other sources earmarked to finance acquisition of capital assets.
 - b. The Sportsplex Renewal and Replacement Capital Fund is established to account for sources of income earmarked to fund the County Capital Investment Plan. Sources of income including debt financing proceeds, pay-as-you-go funds, and any other sources earmarked to finance acquisition of capital assets.

- Whereas, the County intends to undertake Capital Projects as approved in Year 1 (FY 2021-22) of the Capital Investment Plan, will use its own funds to pay initial Project costs, and then reimburse itself from financing proceeds for these early expenditures. The expected primary type of financing for the Projects is installment financing under Section 160A-20. The financing may include more than one installment financing, and may include installment financings with equipment vendors and installment financings that include the use of limited obligation bonds. The Manager and Finance Officer have advised the Board that it should adopt this resolution to document the County's plans for reimbursement, in order to comply with certain federal tax rules relating to reimbursement from financing proceeds.
- The Community Loan Fund will issue no interest loans to recipients in this program.
- The County has adopted a policy to fund no interest loans to Non-Profit organizations that meet certain financial criteria, as adopted on September 20, 2018.
- The County will include in its Travel Policy that travel expenses for Commissioners and County Staff will include the purchase of carbon offsets for any airfare and the miles traveled by Car Share vehicles.

Section X. Internal Service Fund - Health and Dental Insurance Fund

The Health and Dental Insurance Fund accounts for receipts of premium payments from the County and its employees, employees for their dependents, all retirees and the payment of employee and retiree claims and administration expenses. Projected receipts and fund reserves from the County and employees for fiscal year 2021-22 will be \$12,336,336, and projected expenses for claims and administration for fiscal year 2021-22 will be \$12,336,336.

Section XI. Custodial Funds

Custodial Funds are used to report any fiduciary activities not reported in Investment Trust or Private-Purpose Trust Funds. In North Carolina, examples of Custodial Funds are the Jail Inmate Fund, and the property taxes collected by the County on behalf of a municipality (the Chapel Hill-Carrboro City Schools District Tax Fund).

Section XII. Encumbrances

Operating funds encumbered by the County as of June 30, 2021 are hereby reappropriated to this budget.

Section XIII. Capital Projects & Grants Fund

The County Capital Improvements Fund, Schools Capital Improvements Fund, Proprietary Capital Funds, and the Grant Projects Fund are hereby authorized. Appropriations made for the specific projects or grants in these funds are hereby appropriated until the project or grant is complete.

The County Capital Projects Fund FY 2021-22 budget, with anticipated fund revenues of \$18,518,992 and project expenditures of \$18,518,992 is hereby adopted in accordance with G.S. 159 by Orange County for the fiscal year beginning July 1, 2021, and ending June 30, 2022, and the same is adopted by project.

The School Capital Projects Fund FY 2021-22 budget, with anticipated fund revenues of \$27,504,864, and project expenditures of \$27,504,864 is hereby adopted in accordance with G.S. 159 by Orange County for the fiscal year beginning July 1, 2021, and ending June 30, 2022, and the same is adopted by project.

The Proprietary Capital Funds FY 2021-22 budget, consisting of Water and Sewer Utilities, Solid Waste, and Sportsplex, with anticipated fund revenues of \$4,891,311, and project expenditures of \$4,891,311 is hereby adopted in accordance with G.S. 159 by Orange County for the fiscal year beginning July 1, 2021, and ending June 30, 2022, and the same is adopted by project.

The Solid Waste Renewal and Replacement Capital Fund FY 2021-22 budget, with anticipated sources of income of \$4,247,398, and anticipated expenditures of \$4,247,398 is hereby adopted in accordance with G.S. 159 by Orange County for the fiscal year beginning July 1, 2021, and ending June 30, 2022.

The Sportsplex Renewal and Replacement Capital Fund FY 2021-22 budget, with anticipated sources of income of \$1,119,347, and anticipated expenditures of \$1,119,347 is hereby adopted in accordance with G.S. 159 by Orange County for the fiscal year beginning July 1, 2021, and ending June 30, 2022.

The County Grant Projects Fund FY 2021-22 budget, with anticipated fund revenues of \$552,076, and project expenditures of \$552,076, is hereby adopted in accordance with G.S. 159 by Orange County for the fiscal year beginning July 1, 2021, and ending June 30, 2022, and the same is adopted by project.

Any capital project or grant budget previously adopted, the balance of any anticipated, but not yet received, revenues and any unexpended appropriations remaining on June 30, 2021, shall be reauthorized in the FY 2021-22 budget.

Section XIV. Contractual Obligations and Disposal of Property

The County Manager is hereby authorized to execute contractual documents and dispose of property under the following conditions:

- a. The Manager may execute contracts for construction or repair projects that do not require formal competitive bid procedures, and which are within budgeted departmental appropriations, for which the amount to be expended does not exceed \$250,000.
- b. The Manager may execute contracts for general and/or professional services which are within budgeted departmental appropriations, for purchases of apparatus supplies and materials or equipment which are within the budgeted departmental appropriations, and for leases of property for a duration of one year or less and within budgeted departmental appropriations for which the amount to be expended does not exceed \$90,000.
- c. The Manager is authorized to execute contracts, their amendments and extensions, in amounts otherwise reserved for Board approval and execution by the Chair, up to the Board-approved budgetary amount for a project or service that has been approved by

the Board of County Commissioners in the current year budget. This section does not apply to projects in which the Board must approve and award a bid.

d. Contracts executed by the Manager shall be pre-audited by the Chief Financial Officer and reviewed by the County Attorney to ensure compliance in form and sufficiency with North Carolina law.

e. The Manager may sign intergovernmental service agreements in amounts under \$90,000.

f. The Manager may sign intergovernmental grant agreements regardless of amount as long as no expenditure of County matching funds, not previously budgeted and approved by the Board, is required. Subsequent budget amendments will be brought to the Board of County Commissioners for revenue generating grant agreements not requiring County matching funds as required for reporting and auditing purposes.

g. Upon the Manager's determination that certain property is surplus the Manager may dispose of County personal property consisting of one item or a group of similar items having a value of less than \$30,000. In disposing of the property the Manager may utilize any lawful method of disposal including and not limited to private or public sale, exchange, auction, etc. The Manager shall seek fair market value for the property. Consideration may consist of items and things other than currency. The Manager shall keep a record of all property sold under this section and that record shall generally describe the property sold or exchanged, to whom it was sold, or with whom exchanged, and the amount of money or other consideration received for each sale or exchange.

h. The Manager is authorized to approve and execute leases of County property for a term not exceeding one year. Such leases of County property may not be extended beyond one year except by action of the Board of Commissioners.

This budget being duly adopted this 15th day of June 2021.