



## Madison County Administration

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To: Board of Commissioners

From: Interim County Manager

Date: June 8, 2021

Re: FY 2021-2022 Proposed Budget

The proposed General Fund budget for Fiscal Year 2021-2022 of \$28,533,909 provides adequate funding for the ongoing operations of County government. This amount includes funds for critical deferred renovation projects and equipment purchases while maintaining the current health insurance plan for employees and implementation of county wide pay plan.

### Property Taxes

The budget represents no increases in the property tax rate at \$.50 per \$100 in valuation. Based on a 95% property tax collection rate, current property tax revenues are expected to be \$11,871,720. The projected revenue from property taxes owed from prior years is an increase of \$29,000 to \$435,000. The county will continue efforts to pursue delinquent taxes from prior years, including initiating foreclosure proceedings when other options have been exhausted.

Also due to successful collection of past due accounts, the revenue budgeted from Property Tax Interest is reduced by \$1,000 to total \$145,000. As accounts that were several years past due with significant accrued interest have been collected, this revenue projection is being reduced.

The projection for revenue from the vehicle tax is increased by \$120,163, to a total \$1,000,000 for FY 2021-2022. The vehicle tax collection rate continues to exceed 99%, as it has since the state implemented the Tag and Tax Together program which blocks vehicle registrations if taxes are not paid.

There is no change to the Availability Fee for the Enterprise Fund.

The budget appropriates \$751,703 from Fund Balance to carry forward funds for restricted purposes, and carry forward various grants for which the county received funds in previous years but the money has not been spent. In all of these cases, the use of fund balance is to cover expenses projected for FY 2021-2022 for which restricted revenues were received in previous years. The budget appropriates no money from the amount of fund balance that is unrestricted and available for appropriation.

### **Expenditure Highlights**

The proposed budget continues to seek maximum cost effectiveness on non-essential items. It provides realistic funding for items such as utilities, fuel, supplies, and essential travel and training. In addition to adequately funding the current level of service being provided by County departments, the proposed budget allocates funding for essential construction and equipment needs. Finally, the budget sets aside \$85,000 for Contingency to cover any unanticipated expenses that arise during the fiscal year.

### **Public Schools Funding**

The proposed budget reflects no increase from last year for the appropriations of Madison County Public Schools or A-B Tech.

### **Capital Projects and Purchases**

The budget allocates \$339,198 for building renovations and vehicle purchases. This includes \$66,198 for the purchase of two patrol vehicles for the Sheriff's Office, a vehicle for each Animal Control and the Maintenance Department totaling \$90,000, \$33,000 for routine facilities maintenance on all county property, and \$150,000 for Capital Outlay.

### **Other Expense Highlights**

\$85,000 is set aside to prepare for the 2028 property tax revaluation. The County is required to save for the eight year revaluation in order to have the money on hand to pay for it when it begins. It is anticipated that budgeting \$85,000 to \$100,000 each year toward this fund between now and 2027 will adequately fund that year's revaluation.

The budget continues \$100,000 for grant matching related to economic development/education.

\$30,000 is provided for the second year of Madison County's Drug Treatment Court. The service is provided through a contract with the nonprofit Restorative Justice Center, and is funded equally by Madison, Yancey, and Mitchell counties.

There is no change in the compensation for members of the Board of Commissioners.

The continuation of the contract for Emergency Medical Services contains no cost increase.

The Board of Commissioners unanimously approved the acceptance of the American Rescue Plan Act and as the result of good management practices during 2020-2021 and a sound budget for 2021-2022, none of these federal funds are needed to balance the budget. Therefore these funds could be available for Economic Development, Water and Sewer, and Broadband beginning in the 2021-2022 Fiscal Year. These funds are not reflected in this budget as presented as required by Statute.

### Nonprofit Appropriations

- \$1,000 for each community club (total of eight clubs)
- \$2,400 to cover expenses for association meetings for Madison County's community organizations, held at Cooperative Extension
- \$850 for Special Olympics
- \$2,000 for WNC Communities
- \$15,000 for the Madison County Arts Council
- \$10,000 for the Madison County Fairgrounds
- \$25,000 for My Sister's Place
- \$10,000 for Pisgah Legal Services
- \$10,000 for the Community Housing Coalition

The Budget for Fiscal Year 2021-2022 is straightforward and balanced.

Respectfully,



Norris Gentry, Interim County Manager/Commissioner