

**AVERY COUNTY BUDGET MESSAGE**  
**FISCAL YEAR 2022/23**  
**County Manager – Phillip Barrier Jr**  
**Finance Officer – Caleb Hogan**

Dear Board of Commissioners and citizens of Avery County:

In accordance with North Carolina General Statute 159-11, the Avery County Fiscal Year 2022-2023 proposed budget is respectfully submitted for your review and consideration. This document provides the financial framework for the programs and services which Avery County government will be undertaking in the next fiscal year. The budget provides the resources needed to ensure the delivery of governmental services in a fiscally responsible manner. The proposed budget is a continuation of the financially sound and conservative practices Avery County government has established and embraced. North Carolina General Statute 159-11 stipulates that a public hearing be held in order to inform the public and allow any interested citizens the opportunity to express their opinions on the budget after the budget message is presented. The Board held budget workshops in order to make changes to the proposed budget. This budget message represents an explanation of the budgetary decisions derived as a result of in depth dialogue between the County Manager, Assistant County Manager, Finance Officer, Department Heads and changes made during budget workshops. The cumulative total of necessary operational and capital expenses considered in light of revenues generated by the departments, combined with State and Federal funding, determines the amount of funding which will be necessary from the citizens of Avery County.

The general reappraisal of real property for Avery County occurred for 2022. State law requires that units of government publish a revenue-neutral tax rate in the budget documents. The revenue-neutral tax rate as defined by G.S. 159-11e is the rate that is estimated to produce revenue for the next fiscal year by the current tax rate if no reappraisal had occurred.

Growth and the 2022 reappraisal increased the tax base \$1,645,931,810 or 38.85% from 4,237,125,784 to 5,883,057,594. The revenue-neutral tax rate for the General Fund is \$ 0.3541. The revenue-neutral tax rate for the Fire Tax Fund is \$ 0.0516. Combining the two tax rates results in an overall tax rate of 0.41. This is a \$ 0.140 difference from the 2021-22 Tax Rate.

The 2022/23 budget as presented is balanced based on a total property valuation of \$5,883 billion. This represents an increase of \$1,645,931,810 billion dollars or 38.85% over last year's valuation of \$4.237 billion. The general fund tax rate will decrease to 34.5 cents (\$0.345) per \$100 valuation which will generate an estimated \$19.95 million dollars in revenues. The county wide fire tax rate will decrease to 5.5 cents (\$0.055). The Fire

Commission and volunteer fire departments will receive an estimated \$3.1 million dollars in revenue.

**The combination of these two rates results in an overall tax rate of 40 cents (\$0.4000) for the 2022/2023 fiscal year.** This rate is a decrease from the revenue-neutral tax rate and a 15 cent decrease from the last fiscal year.

## GENERAL FUND

### *Expenses*

The total General Fund Budget is set at \$32.4 million. This is a 3.08% increase from the 2021/22 fiscal year.

General Government is decreasing \$204,866. The decrease is primarily attributed to a commitment to purchase major capital expenditures using other available funding. Planned capital expenditures includes vehicle rotation for the Sheriff's Office and a new EMS ambulance. The county continues to take a "proactive approach" with buildings, general maintenance, and capital service needs.

Public Safety is increasing \$644,786. The increase is mainly due to the commitment to our greatest asset our employees, and the increase in fuel costs.

Transportation is increasing \$108,630. The increase is due to a new vehicle purchase and the increased cost of fuel.

Environmental Protection is increasing \$130,457 due primarily to the increase of tonnage now collected through the Solid Waste Department, and the cost of fuel.

Economic and Physical Development is increasing \$37,218. The increase is primarily due to operating expenses.

Funding for Human Services is increasing \$403,292. The increase is primarily due to new methods of the state Medicaid programs, and extended hours in the Veteran's office.

Cultural and Recreation is increasing \$47,783. The primary reason is increased maintenance for the Parks and Recreation department, continued funding for the Mountain Alliance youth program, and continued funding for the Avery County Fair.

Education is increasing \$71,990. The primary reason is the operational cost increase for our school system.

Public Safety is the largest expenditure for the County consuming 31% of the total budget. Education and the associated debt service is the next largest expenditure at 23%. Human Services is third largest at 18% while all other County functions total 28%.

### *Revenue*

Property tax revenue is projected to decrease \$50,000 or 0.25% from last fiscal year. The decrease is due to the commitment to all taxpayers to keep our tax rate below revenue neutral.

Local Option Sales Taxes are projected to increase \$640,530. Sales tax was estimated to decrease the last two fiscal years due to the COVID 19, but we are now experiencing growth in our economy.

Other Taxes and Licenses are projected to increase \$120,000 mainly due to the increase in real estate sales.

Intergovernmental revenues are projected to increase \$87,245 thousand dollars primarily due to increased state and federal payments.

Licenses and Permits are projected to increase \$61,000 over last fiscal year.

Sales and Services are projected to increase \$35,113 primarily due to increase in revenue in EMS fees.

Investment Earnings and Other Income are projected to stay the same due to lower forecasted investment income.

Property tax revenue will generate 62% of the County's revenue, followed by sales taxes at 19%, intergovernmental transfers at 8%, sales and services at 7%, fund balance appropriation at 0% and all others at 4%.

## **OTHER FUNDS**

### *Fire Tax Fund*

The Fire Tax Fund budget for the 2022/23 fiscal year is \$3.1 million dollars or \$225,000 more than last fiscal year.

### *E911 Fund*

The E911 Fund budget for fiscal year 2022/23 is \$207,676. This is an increase of \$29,381 from the prior fiscal year.

### *Revaluation Fund*

The Revaluation Fund budget is \$152,955 for the fiscal year 2022/23. Avery County budgets annually for the mandatory revaluation. It should be noted that the County performs an in-house revaluation using existing staff as opposed to contracting this service out. January 2026 will be our next effective date for revaluation.

## **FINANCIAL STABILITY**

Avery County is proud to report that the county fund balance exceeds the state requirements. This amount provides great financial stability and coverage in the event a catastrophic event was to strike the county. The County must have the financial resources available to address unknown and unexpected situations that could cripple our community, if we are found unprepared.

## **CAPITAL PROJECTS**

Over the past several years, Avery County has developed and adhered to a financial plan designed to promote a “pay-as-you-go” capital philosophy. As a result of this philosophy, the county has funded and completed the Agricultural Center, the Avery Community Center, the County Recreation Pool, the purchase of property for the new DSS building, and the new classroom addition of Avery County High School. As a result of proper capital planning the use of lottery funds, and the use of some fund balance Avery County has been able to avoid any tax rate increase for the construction of any of these capital projects.

The only current major capital project is:

### **High School Addition & Renovation**

Start fall 2019

Finish Spring 2022

Estimated Cost - \$20, 296,000

With funding from the State budget grants Avery County will be renovating and building an addition for a new DSS building and building a much needed Probation and Parole office.

Future proposed capital projects is the additional development of the recreation property.

## **OVERVIEW**

The attached 2022/23 FY Budget Ordinance for Avery County contains the detailed break down of anticipated revenues and expenses for the year to end June 30, 2023. This Ordinance is respectfully presented for adoption this 6th day of June 2022.

**AVERY COUNTY  
BUDGET ORDINANCE  
FISCAL YEAR 2022-23**

Be it ordained by the Board of Commissioners of Avery County, North Carolina:

**SECTION 1:**

The following amounts are hereby appropriated in the General Fund for the operation of Avery County Government and its activities for the fiscal year beginning July 1, 2022 and ending June 30, 2023, in accordance with the chart of accounts heretofore established for this County:

General Government	4,284,677
Public Safety	10,043,432
Transportation	1,043,500
Environmental Protection	2,532,367
Economic & Physical Development	449,434
Human Services	5,839,393
Cultural & Recreational	702,170
Education	5,979,773
General Fund Debt Service	1,342,222
Transfer to Revaluation Fund	150,359
Transfer to High School Renovation Project Fund	-
Transfer to Component Unit (Airport)	64,560
Total Appropriations	<u><u>32,431,887</u></u>

**SECTION 2:**

It is estimated that the following revenues will be available in the General Fund for the fiscal year beginning July 1, 2022 and ending June 30, 2023:

Ad Valorem Taxes	19,941,000
Local Option Sales Tax	6,280,530
Other Taxes & Licenses	750,000
Unrestricted Intergovernmental	210,402
Restricted Intergovernmental	2,560,355
Licenses & Permits	402,500
Sales & Services	2,135,100
Investment Earnings	30,000
Other Income	122,000
Fund Balance Appropriation	-
Total Estimated Revenues	<u><u>32,431,887</u></u>

**AVERY COUNTY  
BUDGET ORDINANCE  
FISCAL YEAR 2022-23**

**SECTION 3:**

The following amounts are hereby appropriated in the 911 Emergency Telephone System Fund for the operation of the system for the fiscal year beginning July 1, 2022 and ending June 30, 2023:

Addressing & Data Provisioning	-
Operating Expenses	152,676
Capital	55,000
Total Appropriations	<u>207,676</u>

**SECTION 4:**

It is estimated that the following revenues will be available in the 911 Emergency Telephone System Fund for the fiscal year beginning July 1, 2022 and ending June 30, 2023:

911 Charges	125,844
Interest on Investments	375
Fund Balance Appropriation	81,457
Total Estimated Revenues	<u>207,676</u>

**SECTION 5:**

The following amounts are hereby appropriated in the Fire Districts Fund for the operation of fire protection services for the fiscal year beginning July 1, 2022 and ending June 30, 2023, in accordance with the chart of accounts heretofore established for this County:

Fire Association	8,275
Elk Park Fire Department	72,373
Crossnore Fire Department	72,638
Linville Fire Department	172,240
Frank Fire Department	85,622
Green Valley Fire Department	53,266
Banner Elk Fire Department	94,710
Newland Fire Department	68,508
Fall Creek Fire Department	73,233
Seven Devils Fire Department	45,121
Beech Mtn. Fire Department	62,276
Fire Commission	2,185,618
Avery County Ladder Truck Co.	35,286
Linville Central Rescue Squad	72,334
Total Appropriations	<u>3,101,500</u>

**AVERY COUNTY  
BUDGET ORDINANCE  
FISCAL YEAR 2022-23**

**SECTION 6:**

It is estimated that the following revenues will be available in the Fire Districts Fund for the fiscal year beginning July 1, 2022 and ending June 30, 2023:

Fire Tax Levy Revenue	3,101,500
Transfer From General Fund	-
Total Estimated Revenues	3,101,500

**SECTION 7:**

The following amounts are hereby appropriated in the Revaluation Fund for revaluation of property in Avery County during the fiscal year beginning July 1, 2022 and ending June 30, 2023, in accordance with the chart of accounts heretofore established for this County:

Personnel Expenses	136,955
Operating Expenses	16,000
Capital	-
Total Appropriations	152,955

**SECTION 8:**

It is estimated that the following revenues will be available in the Revaluation Fund for the fiscal year beginning July 1, 2022 and ending June 30, 2023:

Transfer From General Fund	150,359
Fund Balance Appropriation	2,596
Total Estimated Revenues	152,955

**SECTION 9:**

The following amounts are hereby appropriated in the High School Renovation Project Fund for the construction of a new classroom and office building during the fiscal year beginning July 1, 2022 and ending June 30, 2023, in accordance with the chart of accounts heretofore established for this County:

General Construction	18,351,763
Architect/Engineering/Consulting Fees	1,106,471
Permits, Insurance, Surveys, Other	212,316
Furniture	775,489
Attorney Fees	50,000
Total Appropriations	20,496,039

**AVERY COUNTY  
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FISCAL YEAR 2022-23**

**SECTION 10:**

It is estimated that the following revenues will be available in the High School Renovation Project Fund for the fiscal year beginning July 1, 2022 and ending June 30, 2023:

Transfer from General Fund	7,436,045
Proceeds from Bank Financing	11,000,000
Proceeds from Interest Income	112,968
Proceeds from Lottery Fund	1,947,026
Total Estimated Revenues	20,496,039

**SECTION 11:**

The following amounts are hereby appropriated in the Ag Building Community Room Project Fund for the construction of an community room addition during the fiscal year beginning July 1, 2022 and ending June 30, 2023, in accordance with the chart of accounts heretofore established for this County:

General Construction	1,395,000
Architect/Engineering/Consulting Fees	71,700
Permits, Insurance, Surveys, Other	18,300
Furniture	65,000
Total Appropriations	1,550,000

**SECTION 12:**

It is estimated that the following revenues will be available in the Ag Building Community Room Project Fund for the fiscal year beginning July 1, 2022 and ending June 30, 2023:

Fund Balance Appropriation	1,550,000
Total Estimated Revenues	1,550,000

**SECTION 13:**

The following amounts are hereby appropriated in the Grants Project Fund for community development in Avery County during the fiscal year beginning July 1, 2022 and ending June 30, 2023, in accordance with the chart of accounts heretofore established for this County:

Neighborhood Revitalization Program	750,000
	-
	750,000



**AVERY COUNTY  
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**SECTION 14:**

It is estimated that the following revenues will be available in the Grant Projects Fund for the fiscal year beginning July 1, 2022 and ending June 30, 2023:

Grant Revenue	<u><u>750,000</u></u>
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**SECTION 15:**

The following amounts are hereby appropriated in the Special Revenue Fund for the Deed of trust Fund in Avery County during the fiscal year beginning July 1, 2022 and ending June 30, 2023, in accordance with the chart of accounts heretofore established for this County:

Deed of Trust	20,000
	-
	<u><u>20,000</u></u>

**SECTION 16:**

It is estimated that the following revenues will be available in the Special Revenue Fund for the fiscal year beginning July 1, 2022 and ending June 30, 2023:

Deed of Trust Revenue	<u><u>20,000</u></u>
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**SECTION 17:**

The following amounts are hereby appropriated in the Special Revenue Fund for the Fines and Forfeitures Fund in Avery County during the fiscal year beginning July 1, 2022 and ending June 30, 2023, in accordance with the chart of accounts heretofore established for this County:

Fines and Forfeitures	180,000
	-
	<u><u>180,000</u></u>

**SECTION 18:**

It is estimated that the following revenues will be available in the Special Revenue Fund for the fiscal year beginning July 1, 2022 and ending June 30, 2023:

Fines and Forfeitures Revenue	<u><u>180,000</u></u>
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**AVERY COUNTY  
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**SECTION 19:**

The following amounts are hereby appropriated in the Special Revenue Fund for the Payee Representative Fund in Avery County during the fiscal year beginning July 1, 2022 and ending June 30, 2023, in accordance with the chart of accounts heretofore established for this County:

Payee Representative	200,000
	-
	200,000

**SECTION 20:**

It is estimated that the following revenues will be available in the Grant Projects Fund for the fiscal year beginning July 1, 2022 and ending June 30, 2023:

Payee Representative Revenue	200,000
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**SECTION 21:**

The following amounts are hereby appropriated in the Grants Project Fund for the American Rescue Plan in Avery County during the fiscal year beginning July 1, 2022 and ending June 30, 2023, in accordance with the chart of accounts heretofore established for this County:

Broadband Expansion	3,000,000
	-
	3,000,000

**SECTION 22:**

It is estimated that the following revenues will be available in the Grant Projects Fund for the fiscal year beginning July 1, 2022 and ending June 30, 2023:

Grant Revenue	3,000,000
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**SECTION 23:**

The following amounts are hereby appropriated in the Grants Project Fund for the DSS State Budget Grant in Avery County during the fiscal year beginning July 1, 2022 and ending June 30, 2023, in accordance with the chart of accounts heretofore established for this County:

General Construction	620,000
Architect/Engineering/Consulting Fees	50,000
Permits, Insurance, Surveys, Other	25,000
Furniture	80,000
Site Prep	25,000
Total Appropriations	800,000

**AVERY COUNTY  
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**SECTION 24:**

It is estimated that the following revenues will be available in the Grant Projects Fund for the fiscal year beginning July 1, 2022 and ending June 30, 2023:

Grant Revenue	800,000
Fund Balance Appropriation	-
Total Estimated Revenues	800,000

**SECTION 25:**

The following amounts are hereby appropriated in the Grants Project Fund for the Probation State Budget Grant in Avery County during the fiscal year beginning July 1, 2022 and ending June 30, 2023, in accordance with the chart of accounts heretofore established for this County:

General Construction	538,000
Architect/Engineering/Consulting Fees	12,000
Permits, Insurance, Surveys, Other	25,000
Furniture	-
Site Prep	25,000
Total Appropriations	600,000

**SECTION 26:**

It is estimated that the following revenues will be available in the Grant Projects Fund for the fiscal year beginning July 1, 2022 and ending June 30, 2023:

Grant Revenue	600,000
Fund Balance Appropriation	-
Total Estimated Revenues	600,000

**SECTION 27:**

The following amounts are hereby appropriated in the Grants Project Fund for the General Capital State Budget Grant in Avery County during the fiscal year beginning July 1, 2022 and ending June 30, 2023, in accordance with the chart of accounts heretofore established for this County:

General Construction	430,000
Architect/Engineering/Consulting Fees	10,000
Permits, Insurance, Surveys, Other	10,000
Furniture	-
Site Prep	-
Total Appropriations	450,000

**AVERY COUNTY  
BUDGET ORDINANCE  
FISCAL YEAR 2022-23**

**SECTION 28:**

It is estimated that the following revenues will be available in the Grant Projects Fund for the fiscal year beginning July 1, 2022 and ending June 30, 2023:

Grant Revenue	450,000
Fund Balance Appropriation	-
Total Estimated Revenues	<u><u>450,000</u></u>

**SECTION 29:**

The following amounts are hereby appropriated in the Grants Project Fund for the Emergency Mgmt. State Budget Grant in Avery County during the fiscal year beginning July 1, 2022 and ending June 30, 2023, in accordance with the chart of accounts heretofore established for this County:

Capital Expenditures	<u>100,000</u>
Total Appropriations	<u><u>100,000</u></u>

**SECTION 30:**

It is estimated that the following revenues will be available in the Grant Projects Fund for the fiscal year beginning July 1, 2022 and ending June 30, 2023:

Grant Revenue	100,000
Fund Balance Appropriation	-
Total Estimated Revenues	<u><u>100,000</u></u>

**SECTION 31:**

The following amounts are hereby appropriated in the Grants Project Fund for the Sheriff's Office State Budget Grant in Avery County during the fiscal year beginning July 1, 2022 and ending June 30, 2023, in accordance with the chart of accounts heretofore established for this County:

Capital Expenditures	<u>84,270</u>
Total Appropriations	<u><u>84,270</u></u>

**SECTION 32:**

It is estimated that the following revenues will be available in the Grant Projects Fund for the fiscal year beginning July 1, 2022 and ending June 30, 2023:

Grant Revenue	84,270
Fund Balance Appropriation	-
Total Estimated Revenues	<u><u>84,270</u></u>

**AVERY COUNTY  
BUDGET ORDINANCE  
FISCAL YEAR 2022-23**

**SECTION 33:**

There is hereby levied a tax at the rate of thirty-four and one half cents (\$0.345) per hundred dollars (\$100) valuation of property listed as of January 1, 2022 for the purpose of raising revenue included in "Ad Valorem Taxes" in the General Fund in Section 2 of this ordinance.

This rate of tax is based on an estimated total valuation of property for the purpose of taxation of \$5,883,057,594 and an estimated collection rate of 96.5%.

**SECTION 34:**

There is hereby levied a tax at the rate of five and one half cents (\$0.055) per hundred dollars (\$100) valuation of property listed as of January 1, 2022 for the purpose of raising revenue included in "Fire Tax Levy Revenue" in the Fire Districts Fund in Section 6 of this ordinance.

This rate of tax is based on an estimated total valuation of property for the purpose of taxation of \$5,883,057,594 and an estimated collection rate of 96.5%.

**SECTION 35:**

The Budget Officer is hereby authorized to transfer appropriations as contained herein in accordance with the Avery County Board of Commissioners Policy Manual.

**AVERY COUNTY  
BUDGET ORDINANCE  
FISCAL YEAR 2022-23**

**SECTION 36:**

Copies of this Budget Ordinance shall be furnished to the Clerk to the Board of Commissioners and to the Budget Officer and Finance Officer to be kept on file by them for their direction in the disbursement of funds.

Adopted this 6th day of June 2022.

AVERY COUNTY BOARD OF COMMISSIONERS

\_\_\_\_\_  
Martha Hicks, Chairman

\_\_\_\_\_  
Tim Phillips, Vice-Chairman

\_\_\_\_\_  
Dennis Aldridge, Member

\_\_\_\_\_  
Blake Vance, Member

\_\_\_\_\_  
Wood Hall Young, Jr., Member

ATTEST:

\_\_\_\_\_  
Cynthia Turbyfill, Clerk to the Board