



# Northampton County Local Government

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TO: Chairman Charles Tyner Sr. & Members of the Northampton County Board of Commissioners

FROM: Robert M. Murphy, Interim County Manager

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Presented herein is the recommended 2019-2020 Northampton County Budget. The county general fund budget is recommended to be \$27,807,213, which is a \$1,203,600 or 4.3% reduction from the current revised budget. I am pleased to inform the board of commissioners that the proposed budget can be funded with a ½ cent reduction in the ad valorem tax rate and no increases in any other local taxes or fees. I believe the budget accomplishes all of the actions called for in year one of the county's recently adopted Strategic Plan.

Highlights of the proposed budget include:

- Even with a decrease in revenue resulting from a ½ cent ad valorem tax reduction, the county will realize an additional \$433,295 in ad valorem taxes attributable to additional revenue from the natural gas pipeline under construction, growth in personal property and the tax yield from new solar farms.
- The county will see an increase of \$300,085 in the yield from the local sales tax. Next year's projected revenues are based on the trend established by current and prior year collections.
- The budget includes funding for 13 fewer full time positions than currently authorized resulting in a savings of \$854,399 in salary and benefits and a 4.3% reduction in the county workforce.
- Two significant economic development incentive payments were completed this fiscal year resulting in a savings of \$530,557.
- A software upgrade project was completed in the Tax Office resulting in a savings of \$198,000.

- The contribution to the Halifax Community College has been reduced by \$163,000 because of the completion of the Early College capital project.
- An amount of \$510,357 is included for a 2.5% across the board salary increase for all county employees exclusive of the sheriff's employees who will receive a 7% salary increase.
- The county was able to avoid a proposed 27% increase in employee health insurance cost by switching carriers. While the initial quote would have cost the county almost an additional \$700,000 the negotiated 5% increase will yield only a \$162,482 increase in health insurance costs.
- An amount of \$150,000 in new funds has been included as an Economic Development Opportunity Fund, which can be drawn on to further assist any project that will further the county's economic development.
- The budget includes \$112,000 for the purchase of a new ambulance chassis.
- The budget includes \$25,000 for playground equipment and \$10,000 for an updated Master Recreation Plan. We believe sufficient part time funds are already budgeted to handle an expanded youth athletic program.
- The budget includes \$20,000 for the creation of a new space in the Health and Wellness facility
- The budget includes \$67,000 for two new Sheriff's vehicles.
- The contribution to public school remains unchanged. An amount of \$3,500,000 will be budgeted for current expenses and \$354,453 will be budgeted for school capital outlay.
- The budgeted revenues will include only \$621,583 in appropriated fund balance. The current year budget included just over \$2,000,000 in appropriated fund balance. Given the uncertainty surrounding the county's financial management, we thought it prudent to leave the county adequate resources to deal with any unanticipated revenue shortfalls or expenditure demands.
- All fire district tax rates remain unchanged for FY 2019-20.
- Enterprise Funds rates remain unchanged for FY 2019-20.

I extend my sincere thanks to Angela Cahoon, County Finance Director and Linda Taylor, Finance Consultant, for their hard work in developing this budget recommendation. Angela just recently joined the county staff and has done a remarkable job in learning the ropes very quickly. I also want to thank the county department heads who did their best to submit very reasonable and well justified budget requests. The department heads are to be particularly complimented for their willingness to support, and in some cases, volunteer staff reductions.

I invite your review of the proposed FY 2019-20 Recommended Northampton County Budget.

Robert M. Murphy  
Interim County Manager