Budget Revision # _____

Item No. _____

Date: _____

Caldwell County Board of Commissioners

BUDGET REVISION

Subject:

Background and explanation for the Budget Revision:

The EMS services budget needs at additional $425,000 to cover the cost of overtime. See attached letter for explanation

The Budget Ordinance is hereby amended by making a Supplemental Appropriation with appropriations and revenues being adjusted as follows:

SUPPLEMENTAL APPROPRIATION

Line Item #	Title	I/D		Amount
10.9800.397000	Fund Balance App	I	$	425,000.00
Total				**425,000.00**

Line Item #	Title	I/D		Amount
10.4600.412200	Overtime	I	$	425,000.00
Total				**425,000.00**

Attachments (Yes or No): No

Public Hearing (Yes or No):

Distribution:
Original - Finance Office
Duplicate - Clerk to the Board
Triplicate - Department Head

Staff Recommendation:

Board Action:

Department Head	Date	Finance Director	Date	County Manager	Date
			05/28/25		

CALDWELL COUNTY
EMERGENCY SERVICES
P.O. Box 2200 • Lenoir, NC 28645
Trevor C. Key, Director
"A Legacy of Service and Dedication"

EOY Budget Shortfalls

Emergency Services has identified a significant shortfall in the EMS budget, specifically in the Overtime and Retirement lines. When I was appointed Interim Director in May 2024, I assumed the budget was in line, as the budgeting process had been completed prior to my appointment.

The transition to the 24/72 schedule was expected to impact the budget. Although the overtime budget was adjusted in the previous year, it was assumed that the salary line would compensate for any shortfall since employees would be working fewer straight-time hours. This change was necessary to address our staffing crisis—recruitment and retention were suffering under the previous 12-hour shift model.

I'm pleased to report that the 24/72 shift has significantly improved our staffing situation. When I began as Interim Director in May 2024, we had 12 vacant shift positions. After fully transitioning to the 24/72 schedule in November 2024, we reached full staffing by January 2025. Since July 2024, we've lost only one employee to another EMS agency. While we've had some departures due to retirement, disability, life changes, and educational pursuits, we are successfully recruiting and retaining experienced paramedics in Caldwell County.

Overtime overruns were projected early in the fiscal year, and new overtime policies were implemented in November following Hurricane Helene. Current calculations show that the overtime budget was only sufficient to cover built-in shift overtime for full-time staff. With an average overtime rate of $38/hour and a minimum of 312 overtime hours per employee annually, total overtime expenses would reach approximately $853,632—close to the budgeted amount. However, early-year vacancies, special events, and Hurricane Helene pushed the overtime line into the red by February 2025.

EMS overtime is paid at either 1.0x or 1.5x the hourly rate, depending on whether the hours over 40 were due to worked time or leave time. This variability complicates budget forecasting. EMS shift vacancies caused by illness, vacation, or unfilled positions must be covered—ambulances must operate with two qualified personnel. When part-time employees, limited by a 30-hour weekly cap and 1,000 hours annually, are unavailable, full-time staff must fill in on overtime.

Maintaining minimum staffing requires 19 EMTs/Paramedics per shift. Due to routine absences and turnover, we typically need 3–4 additional part-time or full-time personnel per shift. This amounts to approximately 1,460 shifts or 35,040 man-hours annually that must be covered—often with full-time staff working overtime.

In the 2023–2024 fiscal year, $452,000 was transferred into the overtime line, and $180,000 the year prior—both under the 12-hour shift model. Due to lapsed salaries, we were able to balance the budget

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without a deficit. However, current projections indicate a shortfall of $571,500 in the overtime line for FY 2024–2025.

Additionally, during FY 2025–2026 budget planning, we discovered that two full-time vacant positions were not accounted for in the 2024–2025 budget. Salary calculations also omitted holiday pay and merit increases from the previous year. This oversight results in an estimated negative impact of $542,064.15, broken down as follows:

- **Salary/Holiday Pay**: $384,511.00
- **Overtime**: $53,143.75
- **Retirement/Fringe**: $104,409.40
- **Total Shortfall**: $542,064.15

A separate review of the 2024–2025 budget revealed that four positions were added for the Blowing Rock base, but only $86,000 was added to the salary line. Line items were increased by approximately $306,583.00, yet the total budget was reduced by $32,057.00 compared to FY 2023–2024. Adding positions and increasing line items should not have resulted in a reduced overall budget.

To address the immediate shortfall, we are requesting a **budget revision of $425,000** to cover the salary and overtime deficit. Although the total estimated oversight amounts to $542,064.15, we are confident that sufficient funds can be reallocated from the salary line to cover the remaining balance.

All necessary adjustments have been incorporated into the FY 2025–2026 budget.