# CALDWELL COUNTY
# 2026-2027
# BUDGET WORKSHOP

**SHANE FOX**
**COUNTY MANAGER**

# 2026-2027 Budget Workshop Agenda

- Budget Objectives and Process
- 2025-2026 General Fund Budget and Review
- Fund Balance Update
- 2026-2027 General Fund Budget
  - Revenues
  - Expenditures
- Water Fund
- Fire Depts
- Opioid Fund




# BUDGET OBJECTIVES AND PROCESS

# Budget Objectives



- Maintain or Improve Service Levels
- Priority Based (Needs not Wants)
- Analysis of Financial Position (2025-2026)
- Review of Prior Years and Actuals
- Eye on the future, debt roll-offs, projects
- Property Tax Impact on Citizens

## Budget Process

**All Year**

- Evaluate daily, weekly, monthly, actuals vs. budget

**March 2026 – May 2026**

- Department Head meetings, budget preparation

**May 6, 2026**

- 2026-2027 Budget Workshop – may need more dates?

**June 1, 2026**

- Manager's Recommended Budget Presented to the BOC

**June 22, 2026**

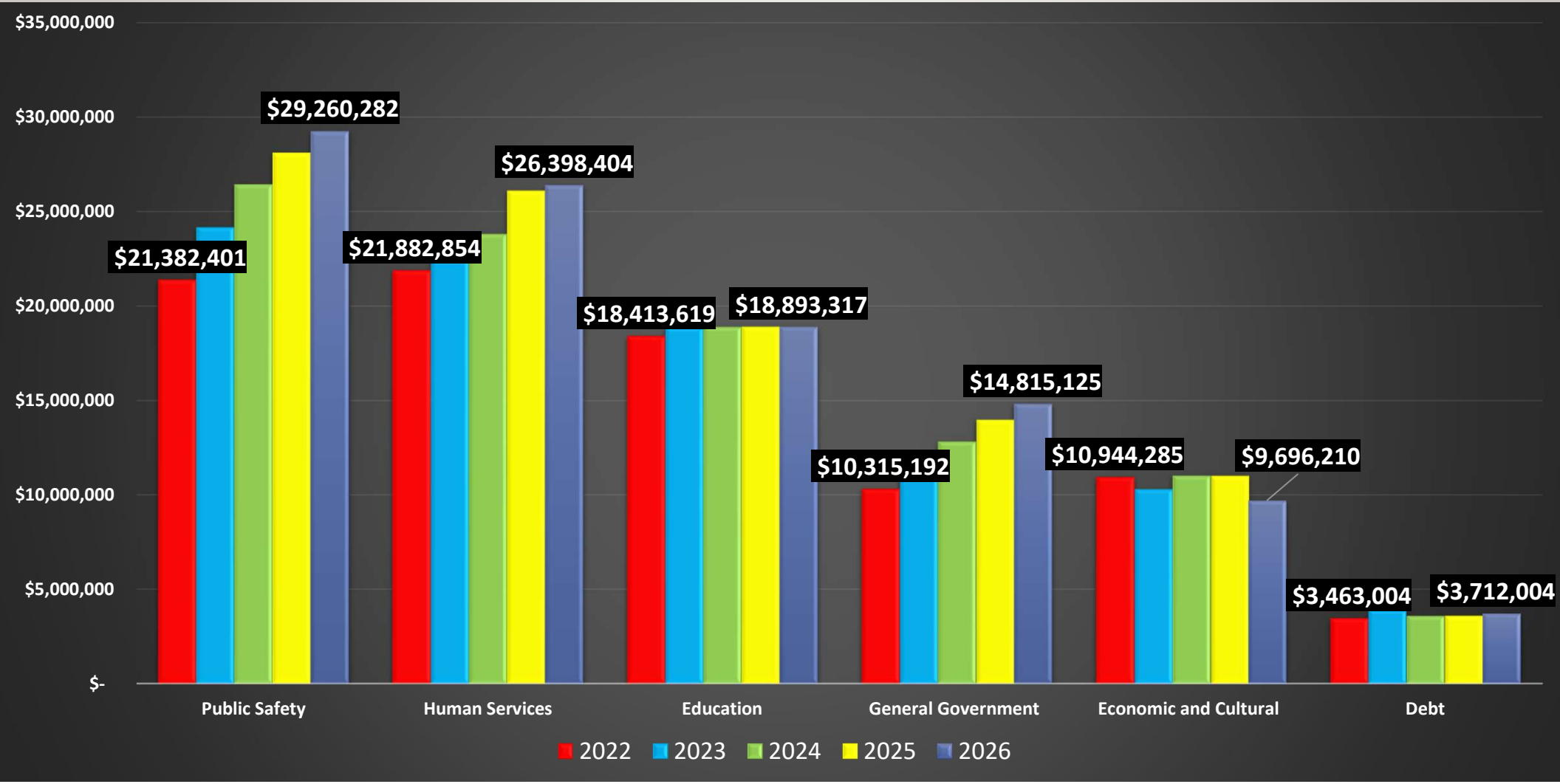
- Public Hearing, and budget adoption

**Before we go forward let's go back…..**

# LAST 5 YEARS
# 2022-2026
# GENERAL FUND



# General Fund Budget by Function 2022 – 2026



# 2025-2026 BUDGET IN REVIEW

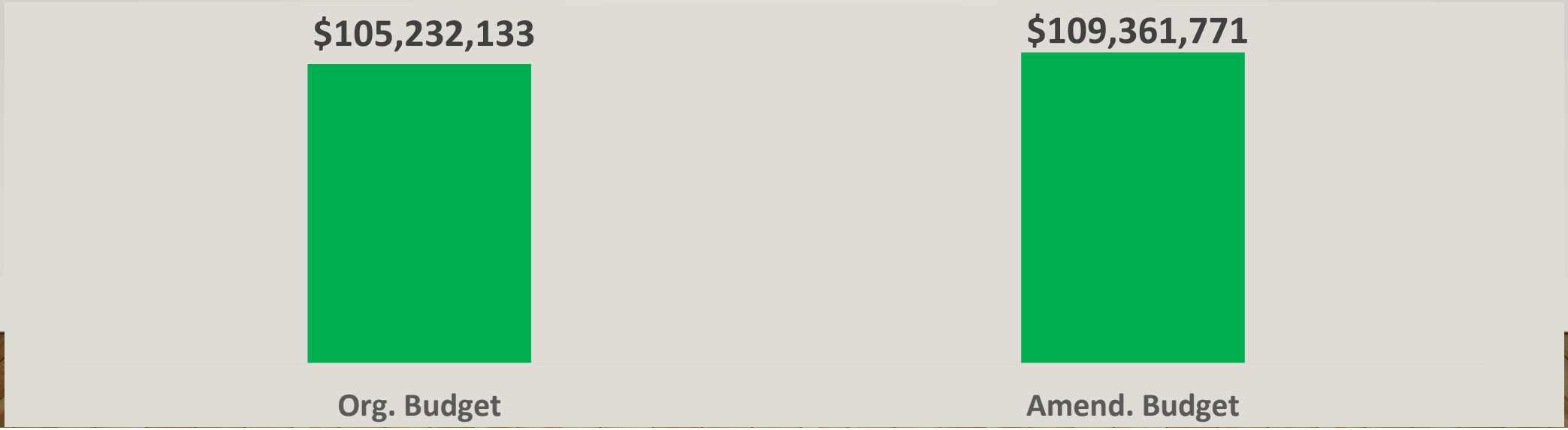


# 2025-2026 General Fund Highlights

- **Communications Salary Increases**
- **Maintenance – 2 new positions for mowing**
- **Refill Bailiff position**
- **Ambulance and 2 QRV's and 2 Vehicles at DSS**
- **New Voting Scanners and Tabulators**
- **Sheriff – 15 Marked and 2 Unmarked cars and One Jail Transport**
- **Additional $150K and $350K to CCCTI and CCSS**
- **Additional changes made right after budget adoption…**

# 2025-2026 General Fund Budget – Changes made

- EMS Raises and changes made in July 2025 = $1M+ annually
- Sheriff Dept Raises made in February 2026 = $540K annually
- Other items = Rollovers and Grant monies



# 2025-2026 General Fund Budget in Review



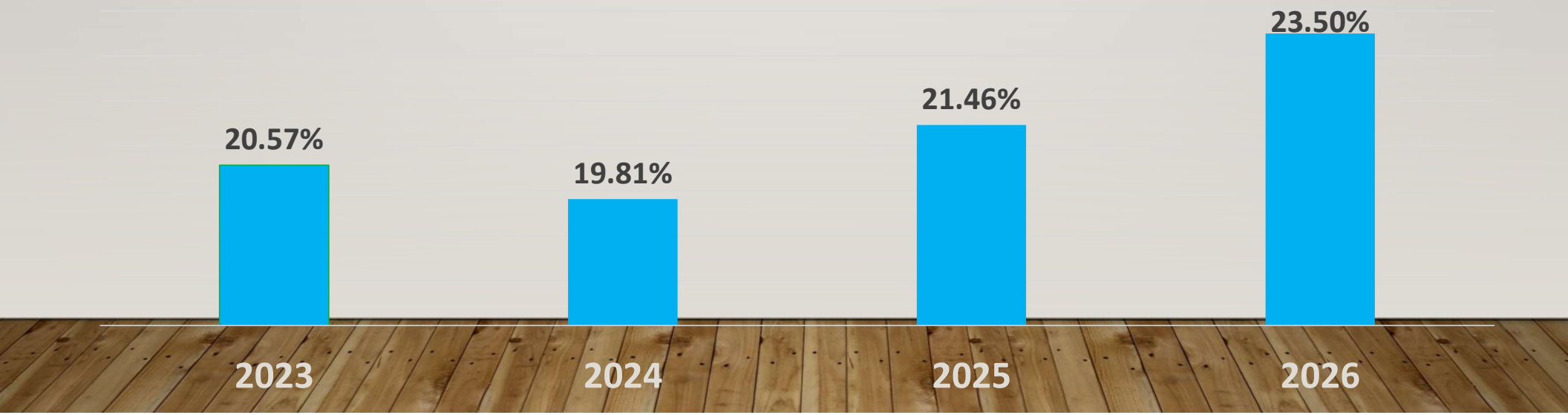

- Property Tax rate set at .4975
  - $54M Collected YTD - $48M in PY YTD
- Sales Taxes are up over $1M year to date
- Ambulance fees are up approx. $460K year to date
- Cash position is up approx. $5M through March 2026
- Currently on pace to finish the year with:
  - +2% to +3% added to Fund Balance

# FUND BALANCE REVIEW



# Fund Balance Update

- 6.30.25 General Fund Balance = 21.46%
- On pace to add 2% to 3% = 23.5% to 24.5%
- 1% = approx. $1M - Need to start thinking about a %



# Factors going into 2026-2027 budget



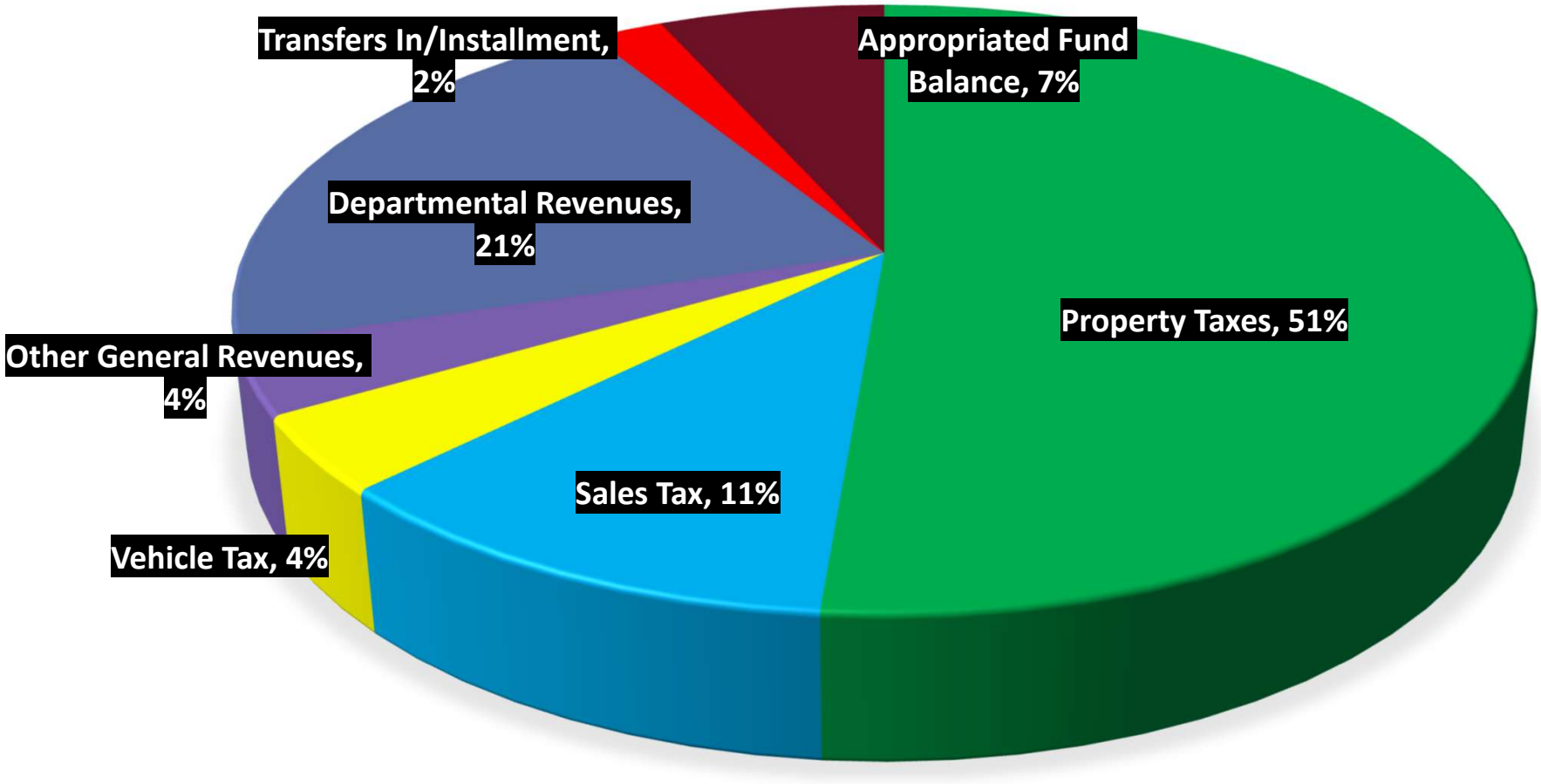

- Ending the 2025-2026 year strong
  - Revenues are up
  - Fund Balance is up
- Modest debt roll-off in 2026-2027, more in 2027-2028
- Health Insurance is up $1M~
- Retirement is up $2M~
- Have asked all dept. to hold the line on FTE's if possible
- Property Tax Rate needs to be evaluated for citizens

# GENERAL FUND REVENUES

- Property Taxes
- Sales Tax
- Fees
- Other Revenues



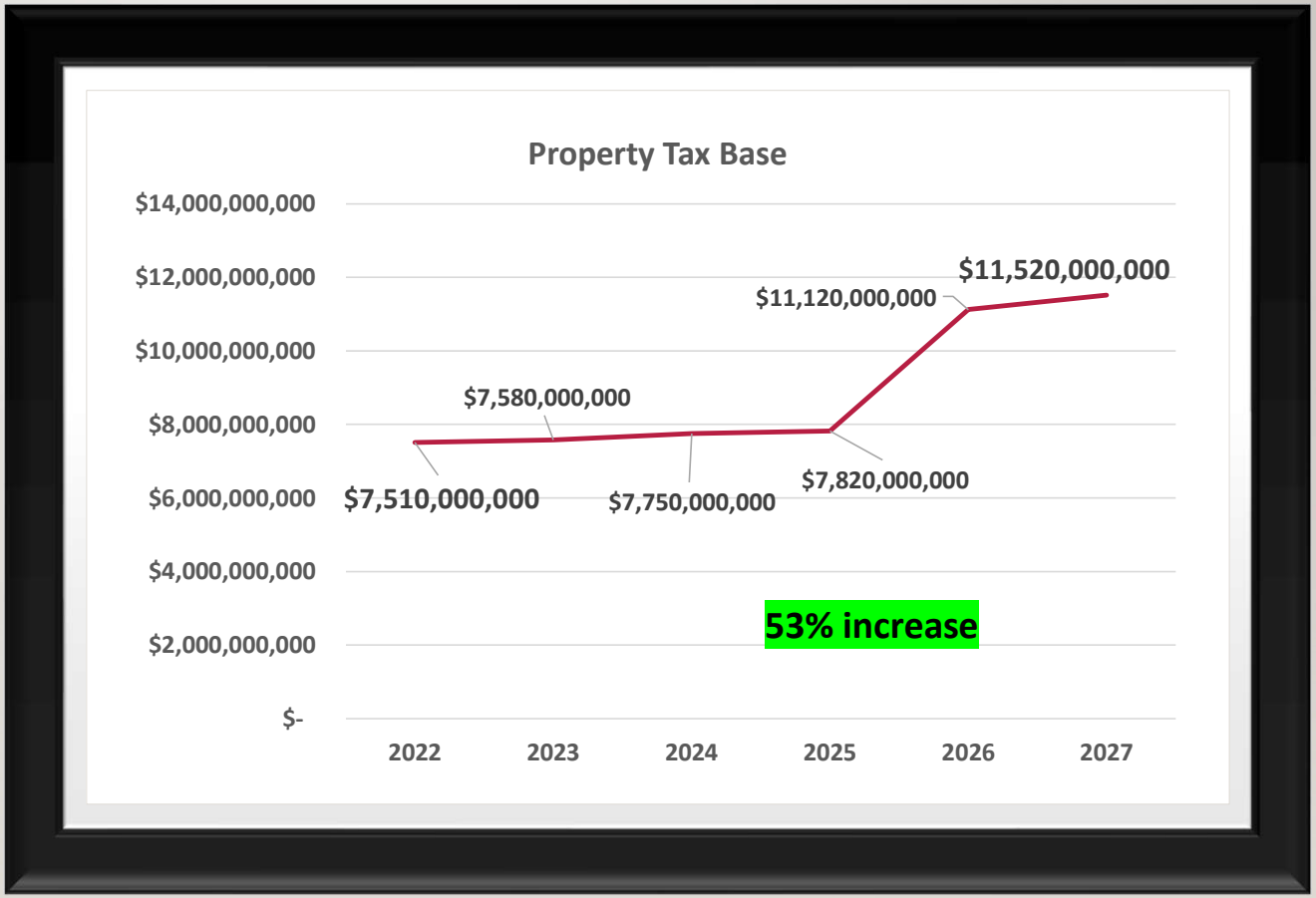
# General Fund Revenues by Type
## 2026-2027 Budget

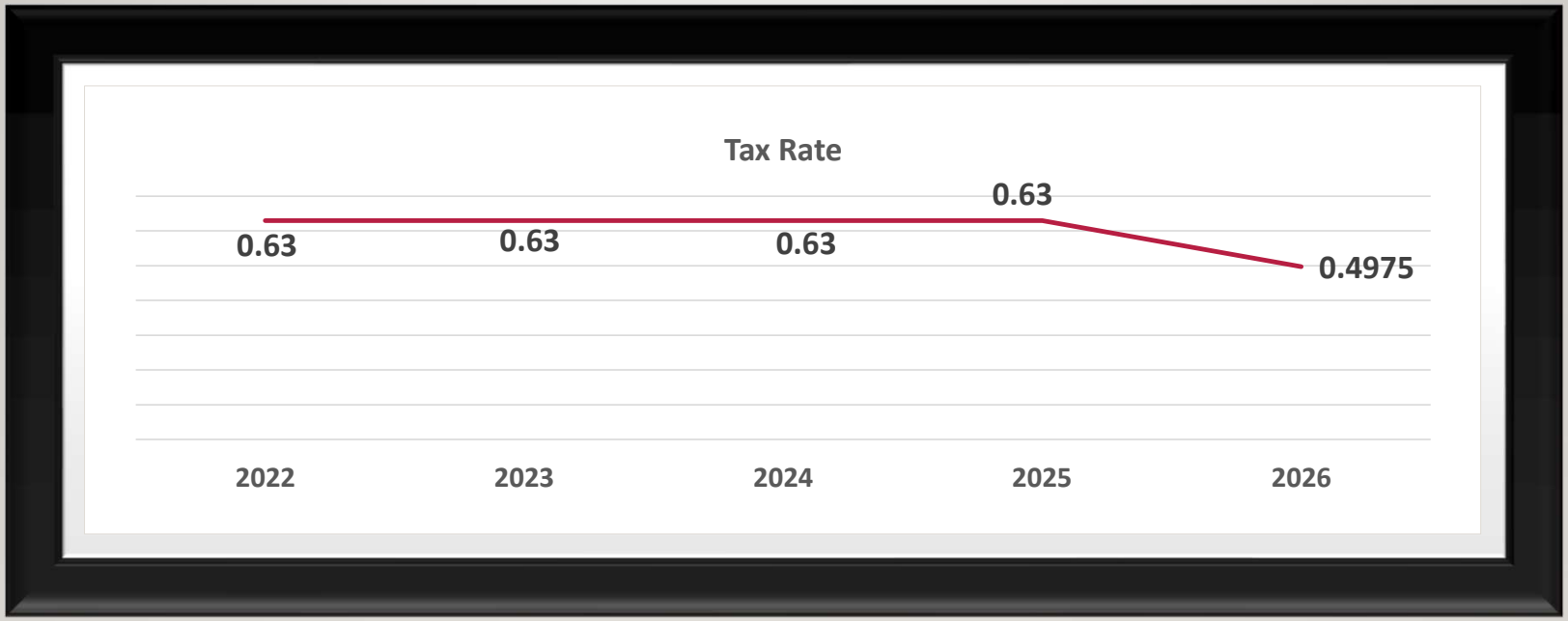





# PROPERTY TAXES

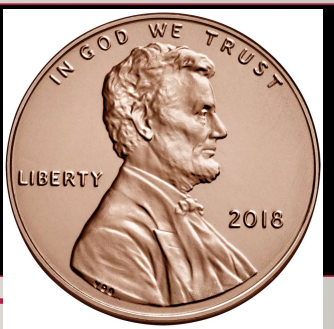
# PROPERTY TAX BASE SINCE 2022






# PROPERTY TAX RATE SINCE 2022

# Property Taxes and Value of a Penny




| | FY 2025 | FY 2026 | FY 2027 |
|---|---|---|---|
| Total Tax Base | $7.82 Billion | $11.12 Billion | $11.52 Billion |
| Tax Rate | 63 cents | 49.75 cents | ? |
| Value of Penny | $782k | $1.12M | $1.15M |

3.6% Growth

## How do we compare?

### Property Tax Rates (2025-2026 rates)




**Caldwell County - .4975 (25th)**

- **Range: Carteret .2250 to Scotland .99**
- **Neighbors:**
  - **Alexander .65**
  - **Burke .55**
  - **Lincoln .499**
  - **Wilkes .42**
  - **Catawba .3985**
  - **Watauga .318**

## Property Tax Rate Factors to Consider:

- Value of a penny = $1.15M
- Balanced budget – appropriated Fund Balance
- Current Fund Balance – Goal?
  - Use Fund Balance?
- Debt Service capacity
  - Courthouse, projects?
- Revaluation impacts past/future
- Statewide factors and potential legislation

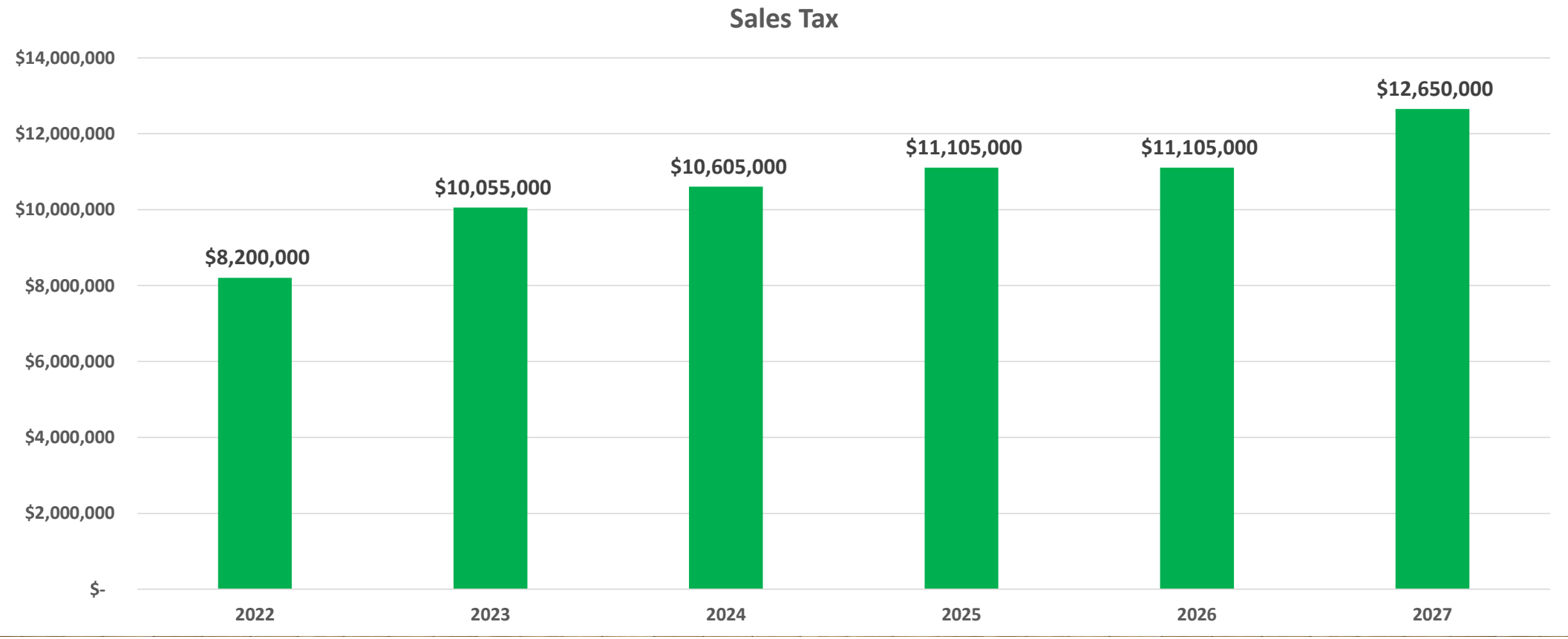





# SALES TAX REVENUE

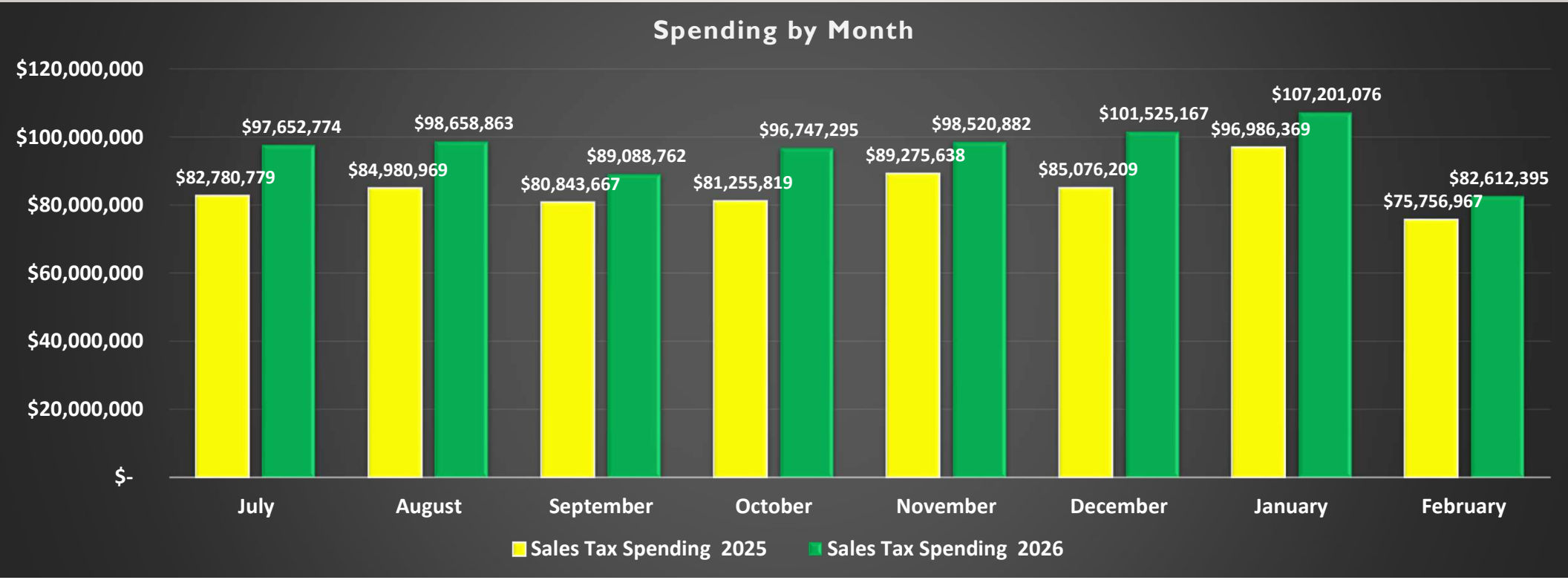
# Sales Taxes Projections

- **Overall Sales Tax projection is up 14% - even with actuals YTD**



# Sales Taxes Projections

- **Sales Tax Year over Year is up $95M YTD for a total of $772M ($1.2B)**
- **State is up as well**



# Sales Taxes Info

- We are averaging around $100M a month in Sales Revenue, which equals around $1M in Sales Tax Revenue – or 1 cent on the tax rate
- Jan. 2026 Example:
  - Caldwell County = $107M in Sales or $1.2M in Sales Tax Rev.
  - Wilkes County = $103M
  - Watauga County = $150M
  - Retail Strategies – EDC?

# GENERAL FUND FEES



# Fees – General Fund

- Building Inspections – no changes
  - Building Inspections fees covers full cost of operations
- ROD – no changes
  - With Passport revenues – covers costs of operations ($40K)
- No other Fee changes – General Fund except EMS

# Fees – General Fund

- **EMS Fee Changes**
  - **(New Rate to align with Medicare Fee Schedule)**
  - **Current budget - $6.5M to Breakeven for EMS**

| Level Of Service | 2026 Medicare Allowable (Urban) | Current Charge | Recommended (150% MFS) | Recommended (200% MFS) | Recommended (300% MFS) | Recommended (350% MFS) | 2026 Approved Charge |
|---|---|---|---|---|---|---|---|
| ALS NE A0426 | $331.97 | $485.67 | $497.96 | $663.94 | $995.91 | $1,161.90 | $0.00 |
| ALS E A0427 | $525.61 | $768.98 | $788.42 | $1,051.22 | $1,576.83 | $1,839.64 | $0.00 |
| BLS NE A0428 | $276.64 | $404.73 | $414.96 | $553.28 | $829.92 | $968.24 | $0.00 |
| BLS E A0429 | $442.62 | $647.58 | $663.93 | $885.24 | $1,327.86 | $1,549.17 | $0.00 |
| ALS 2 A0433 | $760.75 | $1,113.00 | $1,141.13 | $1,521.50 | $2,282.25 | $2,662.63 | $0.00 |
| Specialty Care Transports A0434 | $899.07 | $1,315.37 | $1,348.61 | $1,798.14 | $2,697.21 | $3,146.75 | $0.00 |
| Mileage A0425 | $9.33 | $13.73 | $14.00 | $18.66 | $27.99 | $32.66 | $0.00 |

# OTHER REVENUES



# Other Revenues - General Fund

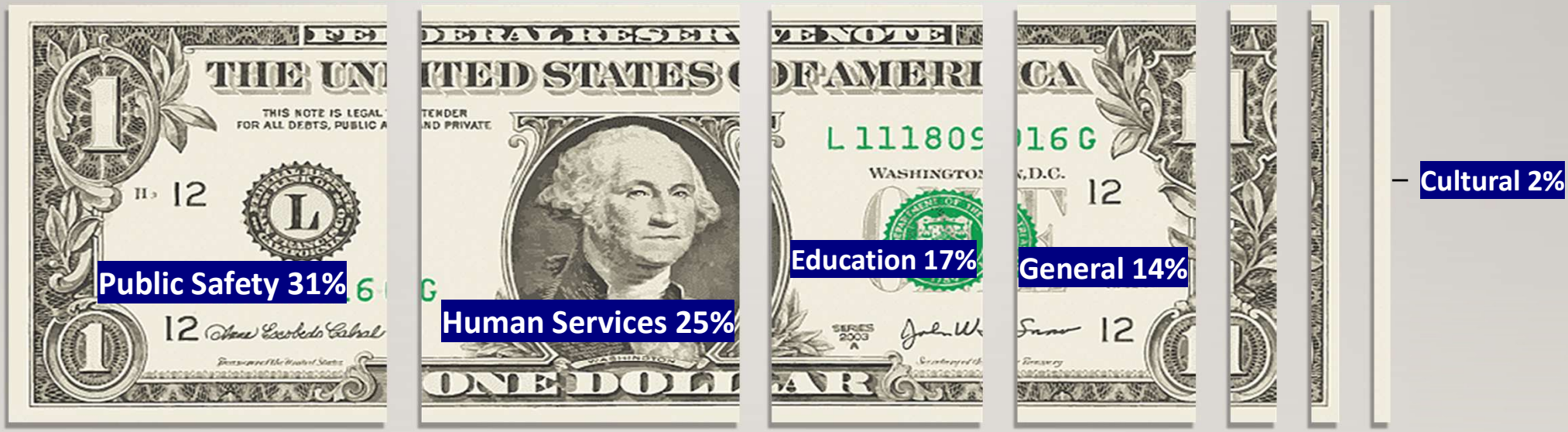
- No major changes with other revenues (DSS/Health)
  - Watching HR1 and impacts

- Landfill Revenue x 2:
  - Host Fees = $1.1M
  - Methane Gas = $600K – Capital Project for Future Landfill Costs

- Investment Income remains high - $1M~

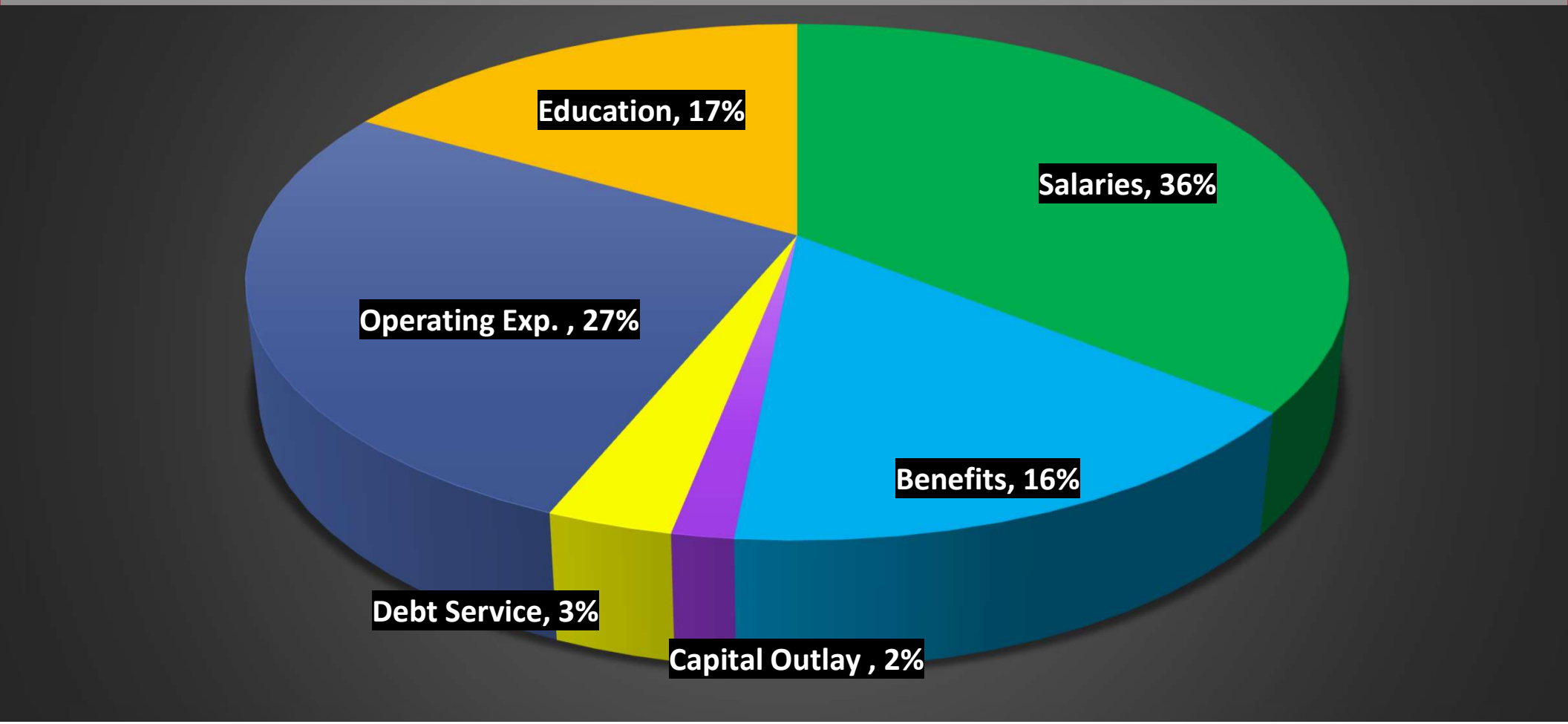
# GENERAL FUND EXPENDITURES

# Expenditures by Function

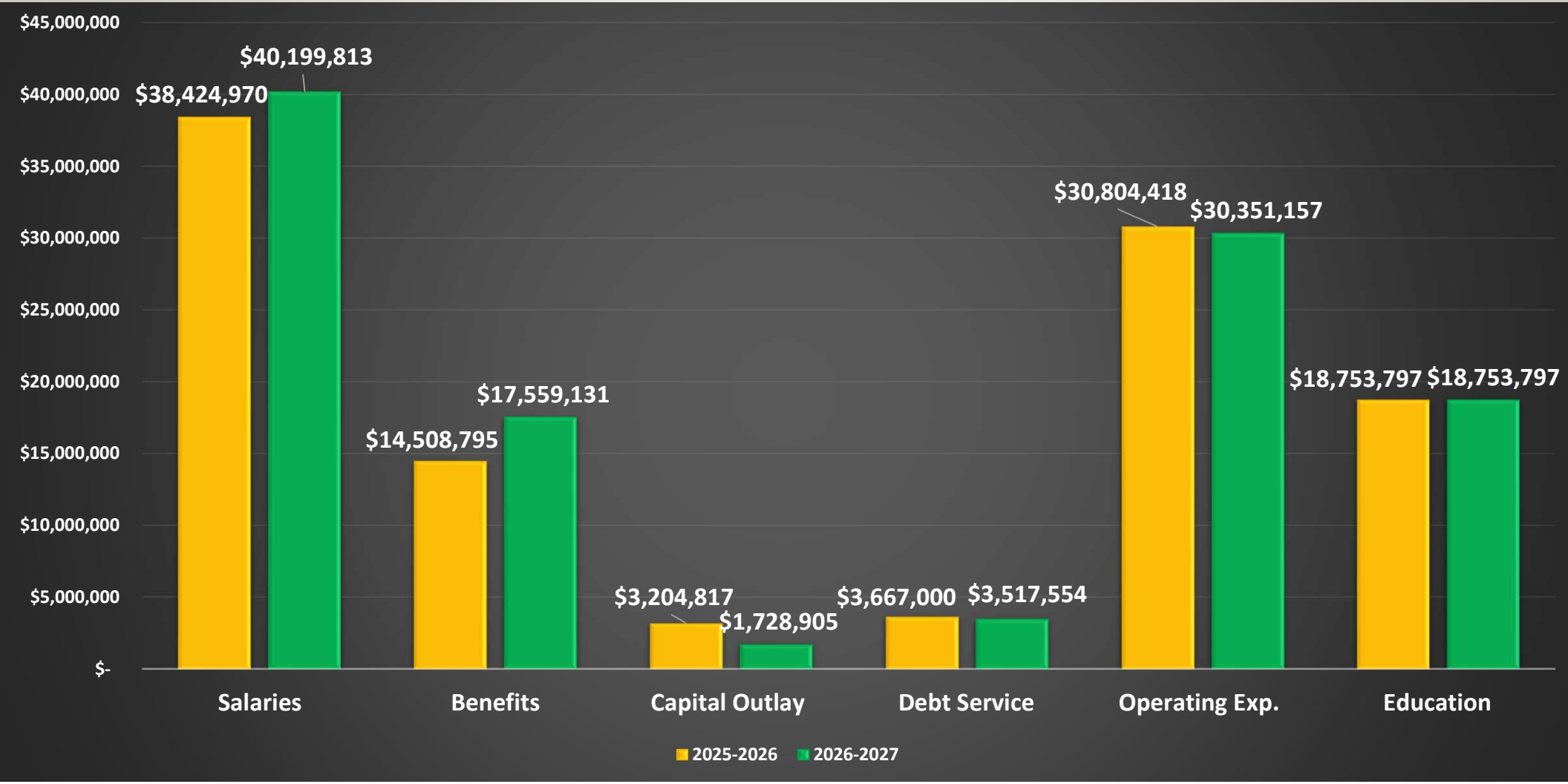



**How Does the County spend a $1??**

# General Fund Expenditure by Type
## 2027 Budget



# 2026-2027 Budget compared to 2025-2026



**SALARIES AND BENEFITS**
**CAPITAL OUTLAY**
**DEBT SERVICE**
**OPERATING EXPENDITURES**






# EMPLOYEE SALARIES AND BENEFITS

# Salaries and FTE's– 26-27 Requests

- New FTE's
  - Sheriff – 6 FTE's Requested ($523K) and Communications –5 FTE's Requested ($386K)
  - No other FTE's requested (A couple down…)
- Salary Adjustments
  - DSS Requested a 10% COLA across the Board ($1.2M)
  - Sheriff Raises – Patrol and Jail ($216)



# Employee Merit System

- Current Merit System
  - Annual Evaluation (4.0 system)
    - No Merit = 0 – 2.9
    - Merit I = 3.0 - 3.4 = $1,000
    - Merit II = 3.5 – 4.0 = $2,000

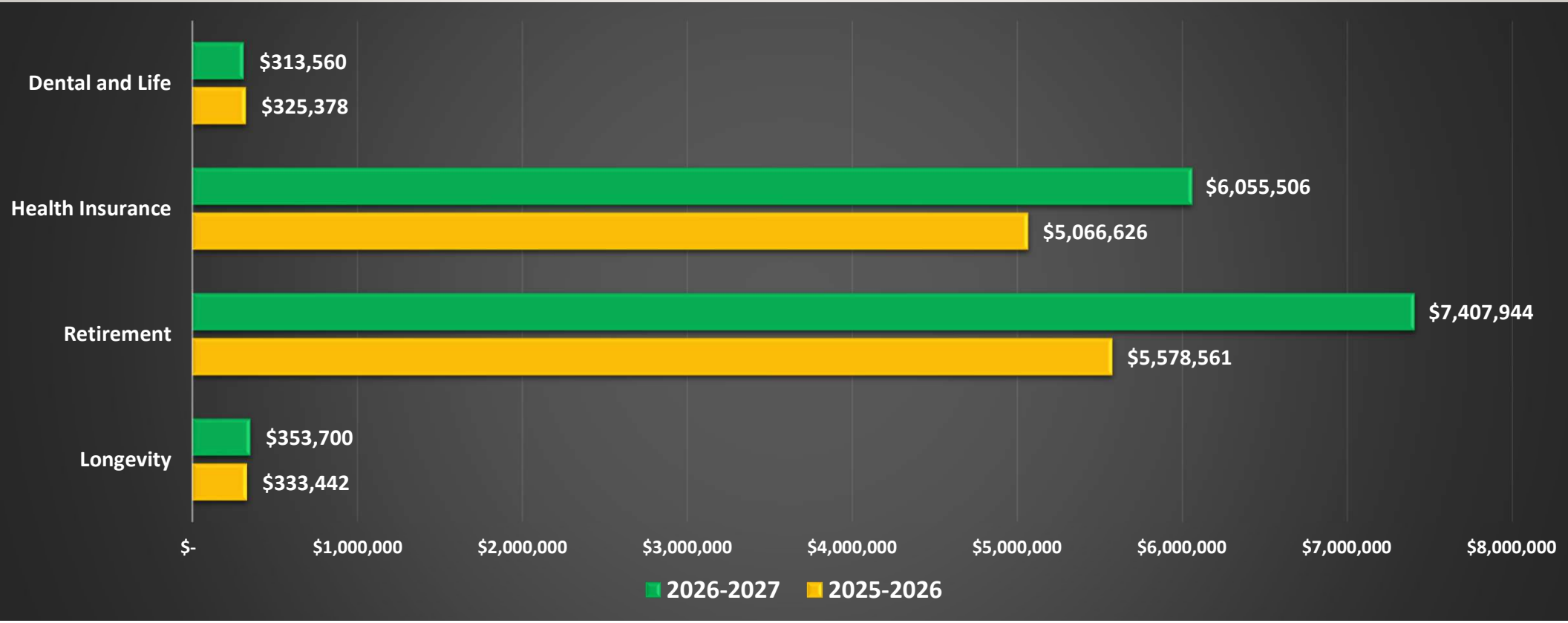
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- Current Budget has money for Merit I and II
- 2026-2027 Budget has money for Merit I and II ($700K)
- Average employee makes $56K Annually
  - Merit I = 1.8% increase
  - Merit II = 3.6% increase

# Benefits

## Health Insurance is up….$1M = or…a 2.5% COLA

## Retirement is up …$1.8M = or…..a 4.5% COLA



# Health Insurance– No changes proposed

- **Health Insurance at a low cost ($35-$160mo) (Market Place -$611)**
  - **$800 budget month cost to the County**

## 2026 Premiums

### STANDARD PPO & PLUS PPO PLAN
for Active Subscribers

North Carolina State Health Plan
FOR TEACHERS AND STATE EMPLOYEES
A Division of the Department of State Treasurer

| Monthly Premium Rates<br>January, 2026 to December 31, 2026 | STANDARD PPO PLAN<br>Salary Band | | | | PLUS PPO PLAN<br>Salary Band | | | |
|---|---|---|---|---|---|---|---|---|
| | UNDER $50,000 | $50,001 - $65,000 | $65,001 - $90,000 | $90,001 + OVER | UNDER $50,000 | $50,001 - $65,000 | $65,001 - $90,000 | $90,001 + OVER |
| ACTIVE SUBSCRIBERS | | | | | | | | |
| Subscriber Only | $35 | $50 | $65 | $80 | $66 | $94 | $122 | $160 |
| Subscriber + Child(ren) | $185 | $200 | $215 | $230 | $276 | $304 | $332 | $370 |
| Subscriber + Spouse | $575 | $590 | $605 | $620 | $746 | $774 | $802 | $840 |
| Subscriber + Family | $575 | $590 | $605 | $620 | $746 | $774 | $802 | $840 |

## Other Employee Benefits – No changes proposed

- Dental ($5mo.) and Vision ($8mo.) at a low cost
- Life Insurance included ($10K to $50K)
- Aflac Products at low costs (Cancer, Accident, Life, etc.)
- Longevity payments after 5 years ($400 to $2,500)
- Time Off (min. 40 days)
  - Holiday Time – 12 paid
  - Vacation time (15 days to 33 days Paid)
  - Sick time earned is 8 hours per month
  - School Function time – 8 Hours a Year
  - FTE – up to 4 weeks paid for parental leave
- Tuition Reimbursement up to $2,500 per Semester
- State Retirement System….

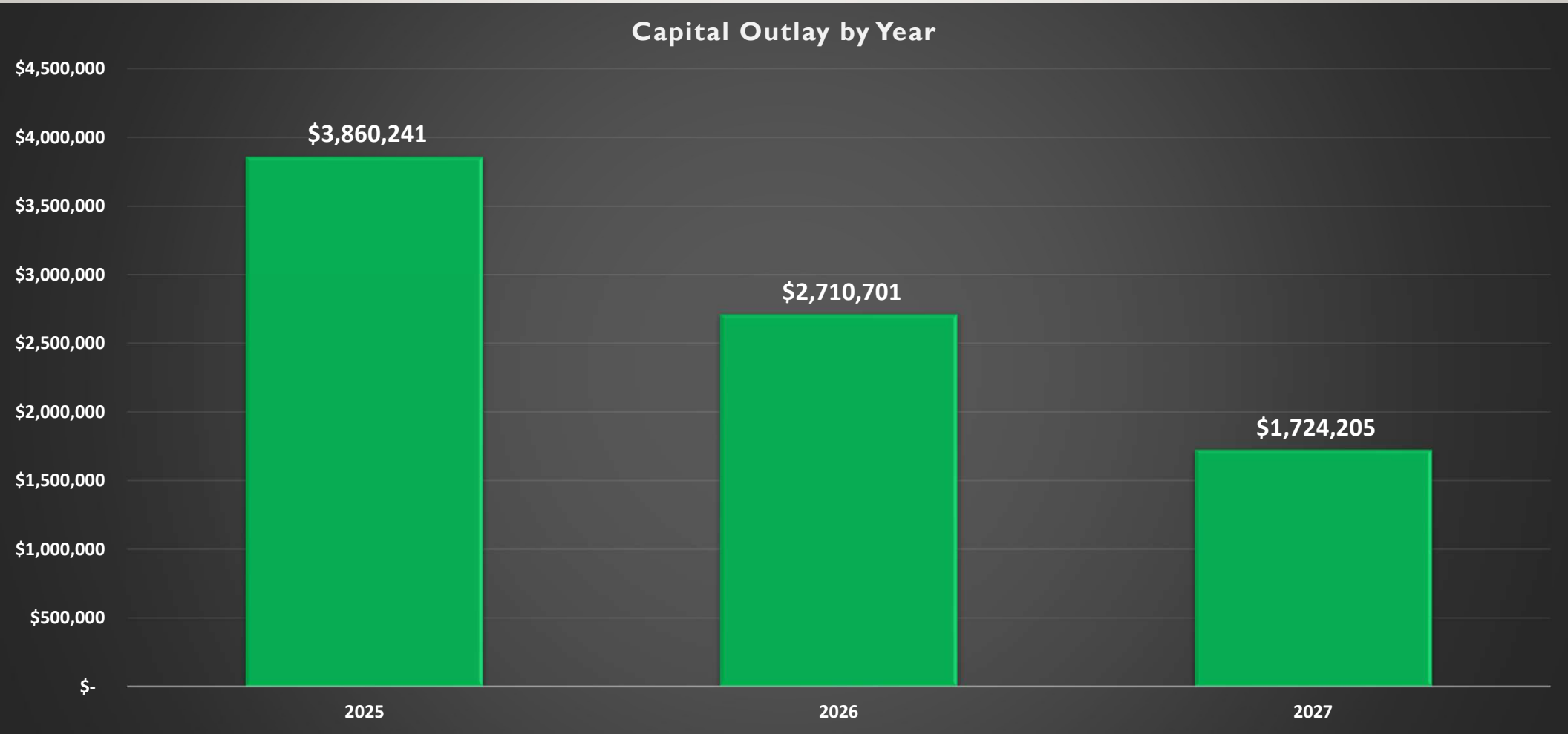
# Salaries and Benefits Summary

- Health Insurance and Retirement are up…..
- New Positions at Sheriff?
- New Positions at Communications?
- Sheriff Increases?
- DSS Increases?
- Merit System?
- Changes to Benefits?




# CAPITAL OUTLAY

# Capital Spending Trends



# CAPITAL OUTLAY

| | | |
|---|---|---|
| **Sheriff** | | |
| | Replacement Handguns | 62,057 |
| | SWAT Body Armor | 45,660 |
| | Fleet Computers | 40,781 |
| | 8 Marked Patrol Cars, 3 Unmarked 1 Truck | 914,633 |
| **EMS** | | |
| | Ambulance Remount | 382,800 |
| | AEDs for public buildings | 22,100 |
| **Animal Control** | | |
| | 2 Ford F150s | 86,174 |
| | 2 Climate controlled dog boxes | 43,000 |
| | Markings and Lighting for trucks | 10,000 |
| **Information Technology** | | |
| | AP replacements for ACE and HHS | 20,000 |
| | 4 Lenovo Servers | 40,000 |
| | Scanner | 9,000 |
| | Switches | 24,000 |
| | Etherscope network tester | 24,000 |




# DEBT SERVICE

# TOTAL DEBT GENERAL FUND

| | Total Debt Service | Principle | Interest |
|---|---|---|---|
| **Infrastructure Loans** | | | |
| Early College, Towers, Etc. | 865,830.22 | 857,894.68 | 7,935.54 |
| Human Services Building | 672,368.36 | 657,894.68 | 14,473.68 |
| Lenoir EMS Bases | 227,924.00 | 206,000.00 | 21,924.00 |
| Animal Shelter | 300,968.80 | 247,000.00 | 53,968.80 |
| **59 Month Loans (Vehicles & Equipment)** | | | |
| Truist 21/22 | 156,171.40 | 154,000.00 | 2,171.40 |
| BOA 23/24 | 356,085.57 | 314,000.00 | 42,085.57 |
| 24/25 | 441,132.55 | 378,000.00 | 63,132.55 |
| 25/26 | 497,062.22 | 420,000.00 | 77,062.22 |
| Total | 3,517,543.12 | 3,234,789.36 | 282,753.76 |

# Debt Service

- GF Debt is trending downwards
- Faye Broyhill Building Paid off in 25-26 = $498K

- 2026-2027 – big year for roll off
  - Early College, Towers, Etc. = $866K
  - Human Services Building  = $672K

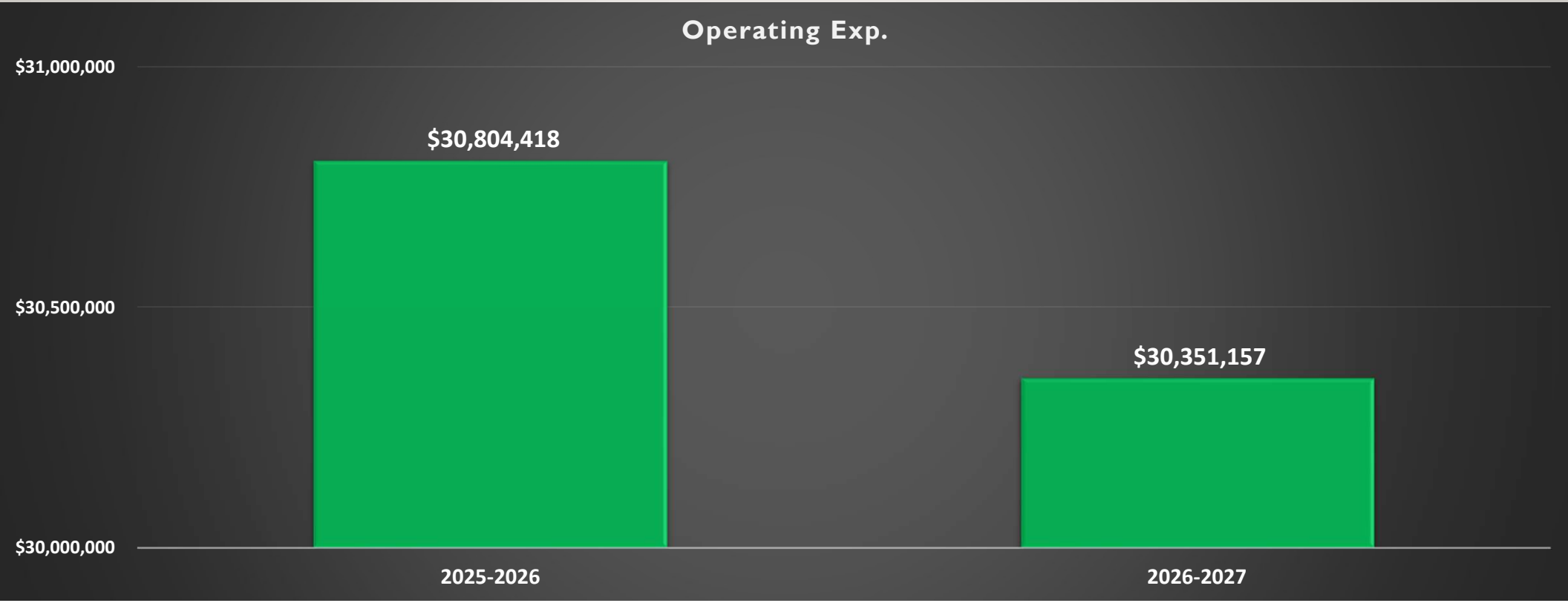





# OPERATING EXPENDITURES

# Operating Spending Trends

- Operating expenditures overall are down
- 40 dept/areas of Budget – half are down this year from last



# Special Appropriations

- No changes to CY Budget Amounts except the following:
  - Fairgrounds - $12K (water line installation)
  - Forestry Service – Request increased $37K from $113K to $150K
    - Local Portion of a Truck
    - Continued Funding for County and Assist. Ranger and Smokechaser
- All Parks remain the same and Park Grant remains at $25K




# EDUCATION REQUESTS

# Education – CCCTI

- Total Request of $4,955,226 ($3,953,797 CY + $150K)
- Annual Operating Requests = $4,655,226
  - Facilities Staffing - $107K
  - Insurance and utilities - $160K
- Capital = $340K ($180K Current since 2014)
  - Have completed the replacement on 4 roofs this past year with grant money.
  - Building A Roof = $140K
  - Capital projects = $200K

# Education – Caldwell County Schools

## Total Request = $17,108,648 ($14,800,000 CY+$350K)

- **Current Expense Budget Request = $708,648**
  - 5% increase for certified and non-certified staff
  - 1% increase in retirement
  - $405 per covered employee for hospitalization
  - Utility increases
- **SRO Support**
  - Current County Contracts total = $1.6M
  - State Grant covers $402,750
- **State Funding Reductions**
  - Caldwell County Schools is projected to lose approx. $2.2M due to declining enrollment




# GENERAL FUND SUMMARY

# Summary of 2026-2027 budget




- Ending the 2025-2026 year strong
  - Revenues are up
  - Fund Balance is up
- Modest debt roll-off in 2026-2027, more in 2027-2028
- Sheriff Dept. and Communications Requests
- DSS Salary increase Request
- Health Insurance is up $1M~ and Retirement is up $2M~
- Operating Expenditures are down overall
- School System and CCCTI Requests
- Property Tax Rate needs to be evaluated for citizens



# WATER FUND

# Water Rates - Proposed

## Water Rates

| Residential | | Business | |
|---|---|---|---|
| 0-99 gallons (availability fee) | $18.03 | 0-99 gallons (availability fee) | $18.03 |
| 100-3000 gallons | $18.03 + 13.10 = $31.13 | 100-3000 gallons | $18.03 + 15.21 = $33.24 |
| All over 3,000 gallons | $6.82 per 1,000 | All over 3,000 gallons | $7.05 per 1,000 |

| | | | |
|---|---|---|---|
| Fire Departments | $33.24 | Fire Departments<br>Fire Suppression | <br>No Charge |

# Water Rates Proposed




- **Proposed 5% increase (City of Lenoir 5%)**

## Residential

- **Current 3,000 gallon invoice = $29.68**
  - **$6.50 per 1,000 gallons over 3,000 gallons**
- **Proposed Rates – 3,000 gallon invoice = $31.13**
  - **$6.82 per 1,000 gallons over 3,000 gallons**
- **3,000 gallon invoice would increase $1.45 per month**

# How do we compare?

## 3,000 Gallon Bill

- **Caldwell County Water = $31.13 Month**
- **Alexander County Water = $54 Month**
- **Burke County Water = $49.50 Month**




# FIRE DEPARTMENTS

- **Fire Departments:**
  - **Sawmills has requested to .105 to .14 Fire and .03 to .04 Rescue or from .135 to .18 combined**

| Fire and Rescue Combined: | 2025-2026 rate | 2026-2027 rate | Inc./(Dec.) |
|---|---|---|---|
| Sawmills | $ 0.135 | $ 0.180 | $ 0.045 |
| North Catawba | $ 0.178 | $ 0.178 | $ - |
| Valmead | $ 0.150 | $ 0.150 | $ - |
| Hudson | $ 0.150 | $ 0.150 | $ - |
| Granite Falls | $ 0.150 | $ 0.150 | $ - |
| Collettsville | $ 0.139 | $ 0.139 | $ - |
| Kings Creek | $ 0.135 | $ 0.135 | $ - |
| Little River | $ 0.133 | $ 0.133 | $ - |
| Gamewell | $ 0.130 | $ 0.130 | $ - |
| Grace Chapel | $ 0.130 | $ 0.130 | $ - |
| Yadkin Valley | $ 0.120 | $ 0.120 | $ - |
| Blowing Rock | $ 0.115 | $ 0.115 | $ - |
| Patterson | $ 0.111 | $ 0.111 | $ - |
| Bethelem | $ 0.053 | $ 0.053 | $ - |




# OPIOID FUND

# Opioid Settlement Fund

- **Approx. 16M~ Total Received (2022-2038)**
- **Cash Balance - $4M~**
- **2026-2027 Budget - $815K Total**
  - **6 Employees Currently**
  - **Requested a new Peer Support Specialist**
  - **New Recovery Transport - $54K**

# Questions??