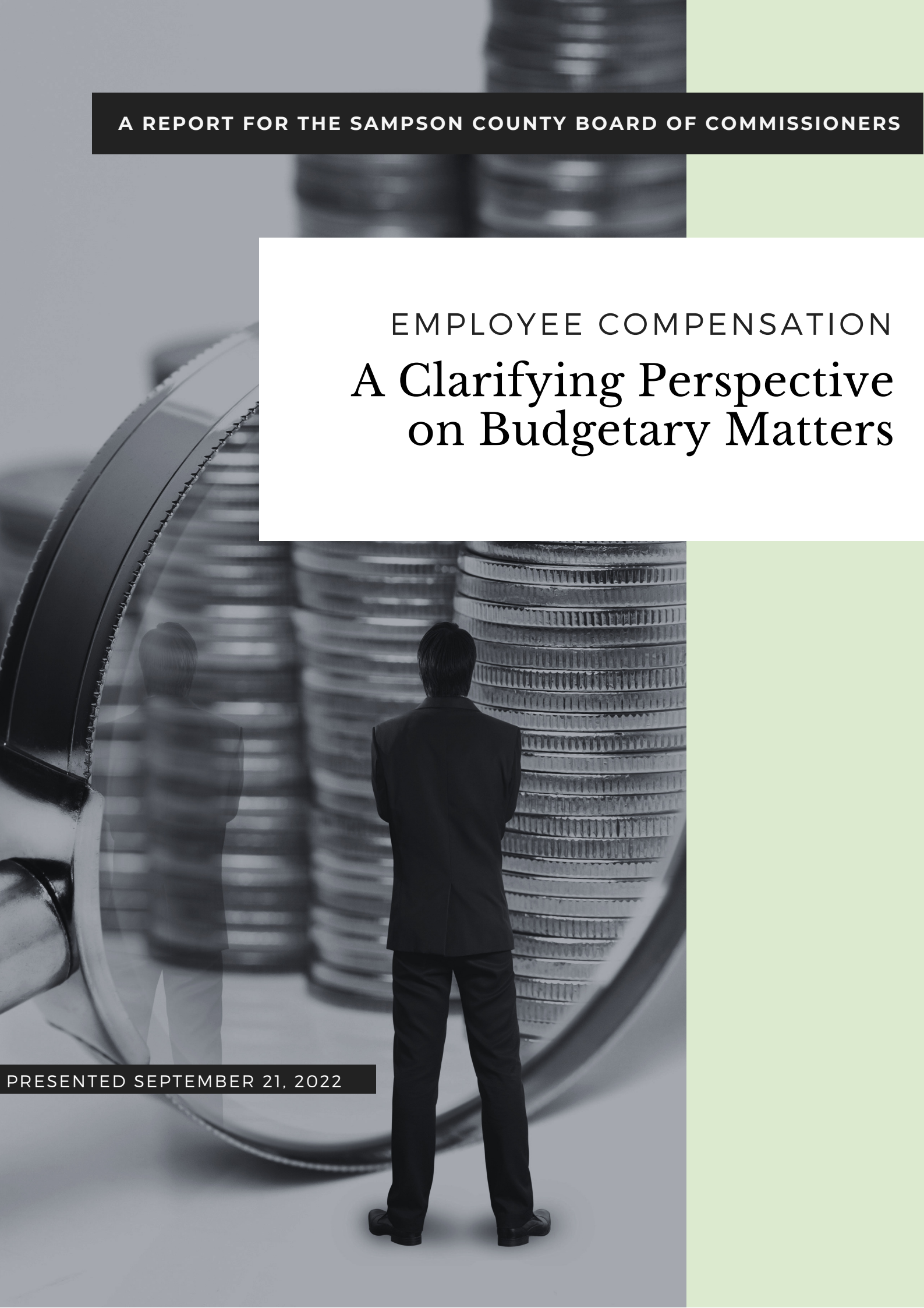


A REPORT FOR THE SAMPSON COUNTY BOARD OF COMMISSIONERS

EMPLOYEE COMPENSATION  
A Clarifying Perspective  
on Budgetary Matters

PRESENTED SEPTEMBER 21, 2022



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# Introduction

This report has been developed not only for presentation to the Board at this special session but it should also serve as a handbook and reference materials for the Board's budget deliberations moving forward.

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Our country and Sampson County have entered perilous times because of inflation, supply chain issues, and the remnants of the pandemic. From the County's perspective, we can add a declining population and the current challenges of agriculture to the mix. Fortunately, because of years of hard work and vigilance, our financial position is sound. Moving forward, we must assume that the stated concerns will have an effect unless we maintain our vigilance and understand all our challenges and the unintended consequences of how we address these challenges.

The purpose of this workshop is to provide budgetary information regarding the county's current financial condition and challenges, Human Resource concerns with supporting information, and clarifications regarding the sheriff's department challenges and budget. Clearly, the recently expressed concerns regarding the salaries of the deputies have brought our many challenges to the forefront.

Several points must be emphasized as we move forward with this discussion:

- There is no information herein that is intended as a recommendation. We want to provide the BOC with accurate information and allow you to digest same before providing staff with the parameters for recommending solutions if any.
- Everyone supports law enforcement, and we will share relevant information that demonstrates the support exists and has existed for years. We acknowledge that there are several challenges that need full understanding of the BOC before solutions can be recommended.
- We appreciate the passion/commitment of all departments regarding their particular needs. Likewise, it would be most helpful if everyone understood there are multiple perspectives regarding the many challenges facing our county. Department heads are focused on the needs of their departments. County Administration and the commissioners should be focused on the overall needs of the entire county as they consider the specific needs of any specific area. This perspective should include both short term consequences as well as the long term needs of the county. In solving a particular problem, our first goal is to not exacerbate the overall challenges facing the entire county.

There are multiple perspectives regarding the many challenges facing our county.





# Understanding the Restraints of Budgeting

When it comes to funding the needs of our citizens and implementing the directives of the Board regarding employee compensation, the fundamentals of budgeting and the Local Government Budget and Fiscal Control Act regulations matter.

## **Budget Process**

Our work on the budget is a year-round process. Our department heads are budget managers and are responsible for working within the budget approved by the Board. The work to create the recommended budget begins in February with the distribution of the budget workbook and budget manual.

February is also the month that the Board has their budget work session. The work session allows the Board to hear about the needs from departments and outside funding partners.

We require our departments to justify all operating expenditures, equipment, and capital outlay requests. The County does not start from a base budget and then add inflation. Our method allows us to compare the cost of items between departments as well as quantities purchased. For example, one year a department indicated that a case of paper cost \$60 per case when other departments were purchasing the same paper for less than \$30.

Some of our departments bill and collect revenues for services. When they prepare their budgets, they estimate the amount of revenue that they expect to collect. We review all



Find  
Frequently Asked  
Questions at the end  
of this section.


estimates to ensure that they are reasonable based on historical data. Our department heads are also responsible for reviewing their rates to ensure that we are charging reasonable fees. Changes to rate schedules are reviewed and recommendations for adjustments are included in the recommended budget.

As previously mentioned, the budget is a year-round process. Along with department heads, the Finance Department monitors revenue collections and expenditures. Part of the job of the Finance Officer is to review revenue collections to ensure that we are on-track to collect at least the amount we have budgeted.

During the year, situations arise that will have a material impact on the following year's budget. In fiscal year 2021-2022, we had several such situations.

1. In October 2021, the Board agreed to increase the pay for Detention officers by 10%. The estimated cost of this action was \$197,000.
2. In October 2021, the Board agreed to hire six additional paramedics and purchase an additional ambulance. The estimated cost of this action was \$688,000.
3. In December 2021, the Board agreed to give all employees except Detention officers an additional 5% cost of living adjustment. The estimated cost of this action was \$1,254,000.

**The total effect on the fiscal year 2022-2023 budget was an additional cost of \$2,385,000.**



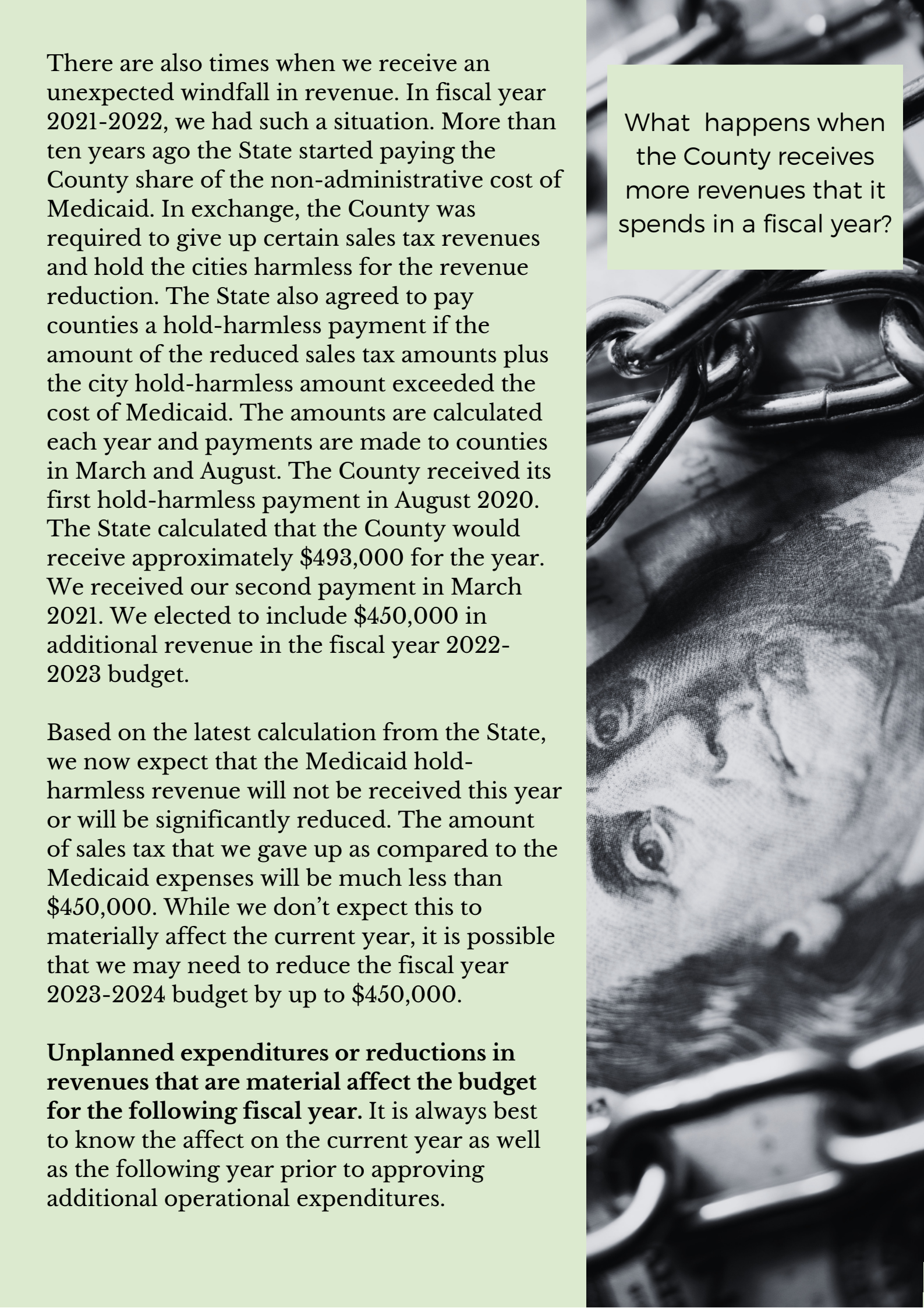
How do unplanned expenditures affect the County's budget?



There are also times when we receive an unexpected windfall in revenue. In fiscal year 2021-2022, we had such a situation. More than ten years ago the State started paying the County share of the non-administrative cost of Medicaid. In exchange, the County was required to give up certain sales tax revenues and hold the cities harmless for the revenue reduction. The State also agreed to pay counties a hold-harmless payment if the amount of the reduced sales tax amounts plus the city hold-harmless amount exceeded the cost of Medicaid. The amounts are calculated each year and payments are made to counties in March and August. The County received its first hold-harmless payment in August 2020. The State calculated that the County would receive approximately \$493,000 for the year. We received our second payment in March 2021. We elected to include \$450,000 in additional revenue in the fiscal year 2022-2023 budget.

Based on the latest calculation from the State, we now expect that the Medicaid hold-harmless revenue will not be received this year or will be significantly reduced. The amount of sales tax that we gave up as compared to the Medicaid expenses will be much less than \$450,000. While we don't expect this to materially affect the current year, it is possible that we may need to reduce the fiscal year 2023-2024 budget by up to \$450,000.

**Unplanned expenditures or reductions in revenues that are material affect the budget for the following fiscal year.** It is always best to know the affect on the current year as well as the following year prior to approving additional operational expenditures.



What happens when the County receives more revenues that it spends in a fiscal year?

We use these items to develop a report of the increases and decreases to the overall general fund budget for the year.

## **TYPICAL BUDGET SCHEDULE**

### **JANUARY**

Budget workbooks & manual sent to departments.

### **FEBRUARY**

Board of Commissioners hold a budget work session.

### **MARCH**

Departments turn in their budget requests. Finance Officer and County Manager begin work on the recommended budget.

### **APRIL**


Finance Officer and County Manager develop the recommended budget.

### **MAY**

Finance Officer and County Manager develop the recommended budget. County Manager presents recommended budget to the Board.

### **JUNE**

Budget public hearing is held. The Board holds work sessions. Board adopts the budget.



How long does it take to develop the County budget?



# Important Considerations in Budget Development



The County has only a few material revenues that they can affect solely with Board action. Property tax is the largest one. The Board sets the rate each year with the adoption of the budget ordinance. While sales tax is our second largest revenues, the Board has no say regarding the sales tax rate. Changes to sales tax rates must be authorized by the State legislature and then approved by the County, usually following a County-wide referendum. Rates for contracts like housing federal prisoners, are not subject to change by the Board, and must be negotiated. Other fees charged by the County may be subject to limits imposed by the State.

The next largest source of revenue is our fund balance (savings account). We may appropriate our available fund balance, but we must be cognizant of cash flow, LGC requirements, and the overall effect on the financial condition of the County.

Each department head develops a request for funding. The budget workbook is reviewed by the Finance Officer and County Manager. We will meet with department heads as necessary to clarify any requests. The Finance Officer develops the general revenue budgets such as sales tax.

# Important Considerations in Budget Development, continued



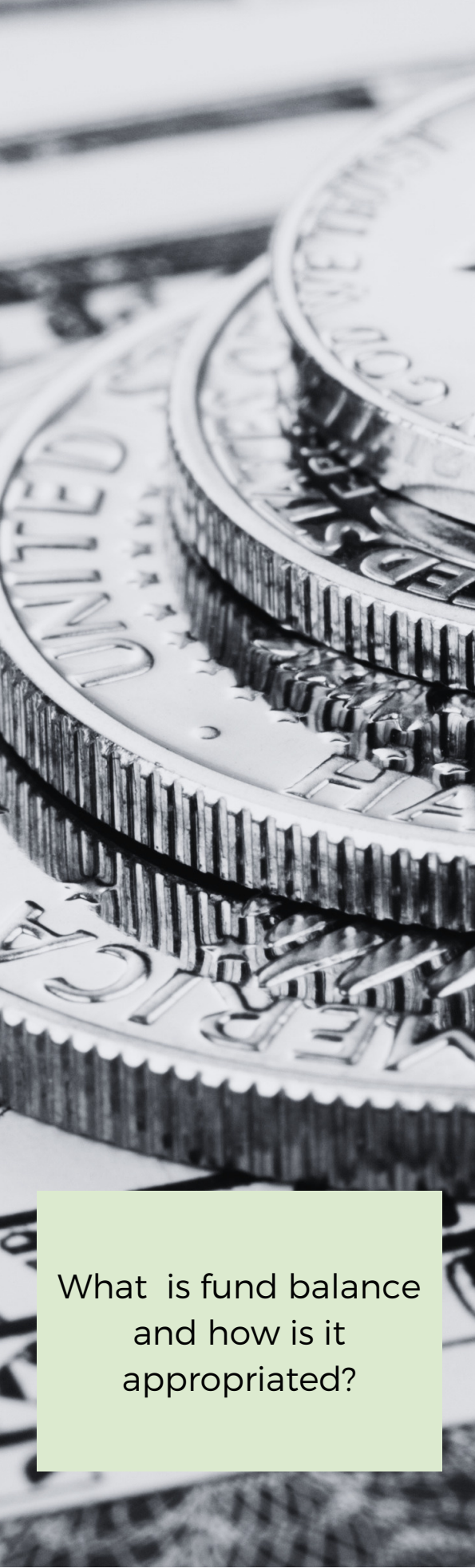
It usually takes several rounds of review to get a final recommended budget. During the review process, we are usually receiving new information regarding fringe costs, school population estimates, sales tax receipts, and property tax base estimates.

The budget recommended by the County Manager represents the best estimate of the funds needed to operate the County for the coming fiscal year. This budget must balance (i.e., revenues must equal expenditures). Included in revenues is any amount that the County expects to spend from fund balance.

One of the last items that we receive is the estimate of the property tax base. Usually, we get this in late April or early May. We use this information to calculate what 1 cent on the tax base will generate. We then use this information to calculate the tax rate needed to generate sufficient revenues to balance the budget. Depending on the rate yielded by the calculation, further reductions in budgets and/or an additional appropriation of fund balance are usually required.



# Important Considerations in Budget Development, continued



## **Fund Balance**

Fund balance is essentially the accumulation of revenues minus expenditures. It is broken down in many ways in our audit report for the General Fund.

**Non-spendable:** Amounts in inventories and long-term receivables

**Restricted:** Amounts in grants, debt covenants, stabilization by State statute, and legislation

**Committed:** Amounts related to actions of Board. Our reserves for building repairs are an example of this. Board action is required to undo these commitments.

**Assigned:** General Fund amounts that have been designated for subsequent years expenditures (Fund balance appropriated)

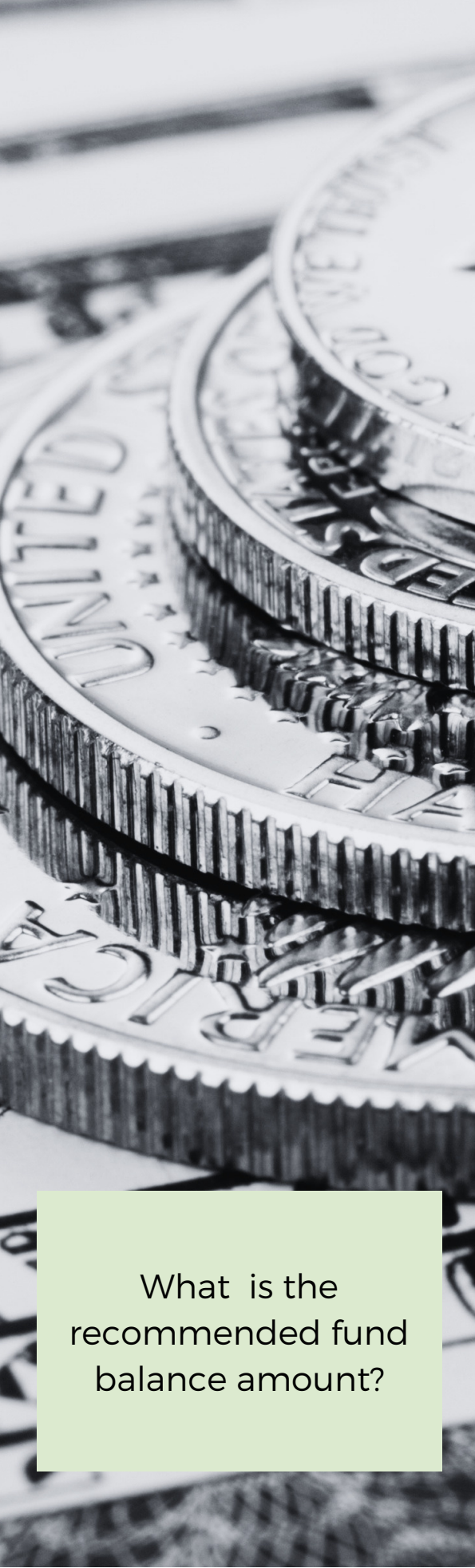
**Unassigned:** Residual amount after all of the above

The purposes for fund balance reserves:

- To provide cash flow because our property tax revenue does not come in on an even basis.
- To avoid short-term borrowing.
- To provide a reserve for emergencies and unforeseen events.
- To increase investment income.
- To protect our credit rating and lower interest rates on borrowings.
- To avoid Local Government Commission warnings.

What is fund balance and how is it appropriated?

# Important Considerations in Budget Development, continued



The Local Government Commission (LGC) requires at least an 8% available fund balance. Available fund balance is cash and investments minus liabilities, encumbrances and deferred revenues arising from cash receipts. This amount is calculated at the end of the fiscal year and does not change during the year. This amount is not reported separately in our audit report.

## Fund Balance as of June 30, 2021 Sampson County General Fund

Non-spendable	
Inventories	\$ 6,408
Restricted	
Stabilization by State statute	11,675,489
Public safety	586,694
Revaluation	264,186
Committed	
Capital reserve	4,209,956
Assigned	
Subsequent year's expenditures	3,248,786
Unassigned	<u>18,397,138</u>
Total fund balance	<u>\$ 38,388,657</u>

Available fund balance as of June 30, 2021:  
\$26,706,760

LGC staff recommends that local governments maintain a fund balance that is consistent with their peers that provide similar services. The LGC prepares a memo showing available fund balance for all counties and groups them by population. The latest information available is for the fiscal year ended June 30, 2020. Sampson County is grouped with 24 other counties. The average available fund balance for this group is **\$30,804,633**. The average available fund balance represents **39%** of general fund expenditures.

What is the recommended fund balance amount?



# Important Considerations in Budget Development, continued



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**Sampson County's available fund balance for June 30, 2020, was \$25,750,829. This amount represented 34% of general fund expenditures. The County was below the amount recommended by the LGC.**

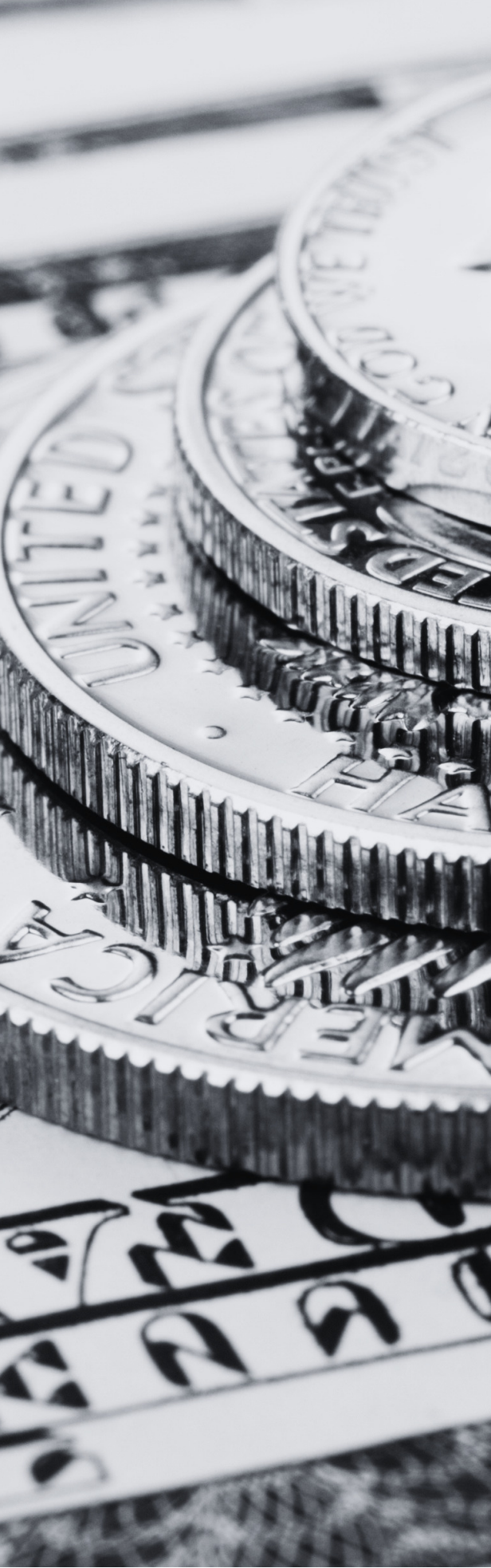
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A healthy and stable fund balance achieved through good fiscal policy was a key consideration when the County applied to the Local Government Commission to refinance outstanding bonds and USDA loans. When the County applied to refinance the outstanding balance of the USDA portion of the loans over the remainder of the 30-year repayment period, we were initially told that was not LGC policy. The County requested to apply and take our chances at the LGC meeting.

The County was able to make the case at the meeting that we had been growing our fund balance, setting aside funds to maintain our buildings, and cutting costs to implement our recently completed pay study. We explained to the LGC that the County had reigned in future personnel costs, related to the post-employment health benefit, to implement the pay study and that the County was proactively setting aside funds to maintain the buildings that were our responsibility.

The LGC approved our application, and we were able to sell bonds to refinance our debt, allowing us to get better interest rates and save the County millions of dollars over the remaining life of the loan. The County's bond rating was also helped by the items previously mentioned.

# Important Considerations in Budget Development, continued



## **Fund Balance Appropriated**

Each year the County must appropriate fund balance to balance our budget. When we appropriate fund balance it means that we intend to use funds from our savings account to pay our bills, if necessary. This is done by all local governments.

We usually appropriate approximately \$1.9 million per year to balance the general fund. In the last several years the County has not expended any of the fund balance that we have appropriated. We have not expended any fund balance because we limit the use of lapsed salaries during the year and we have good budget managers that don't spend unnecessarily.

## **Capital Reserve Amounts General Fund**

Sampson County is responsible for all maintenance and renovations on the buildings that we own. The County is also responsible for major repairs and renovations on the public school and community college buildings in the County. Several years ago, the estimated value of all of these buildings was over \$550 million dollars.

The funding to meet our obligation regarding these buildings must be appropriated by the County. The County basically has two sources of revenue to meet its obligations. The first source is the article 40 half-cent sales tax that was authorized in 1983. Thirty percent of these funds are allocated each year to the public school systems and split between them based on their average daily membership (ADM). The amount of funds estimated for this year is \$1,324,000. The funding for the community college buildings must come from an appropriation of County funds. There is no allocation of funds in the current budget.



# Important Considerations in Budget Development, continued

The funds to maintain the buildings used by the County come from appropriations in the County budget. Our public buildings budget is currently \$2,023,993.

In fiscal year 2012-2013 the County recognized the need to begin setting aside funds to make major repairs to facilities. Since then, the County has set aside a total of \$4,205,000. The amount is divided between the City and County school systems, Community College, and Sampson County.

Committed to Capital Reserves	
City Schools	\$ 675,065
County Schools	1,333,852
Community College	704,260
County buildings	<u>1,492,282</u>
Total reserves	\$ 4,205,459

Our current goal is to set aside \$910,000 each year if it is not otherwise needed to complete a major repair. The cost to replace a roof or an HVAC system will quickly deplete our reserves. A report on the County buildings completed in 2013 showed a deferred maintenance value of \$1.7 million. Some of this deferred maintenance has been completed. Inflation has, of course, increased the cost of our outstanding items and ongoing maintenance needs.

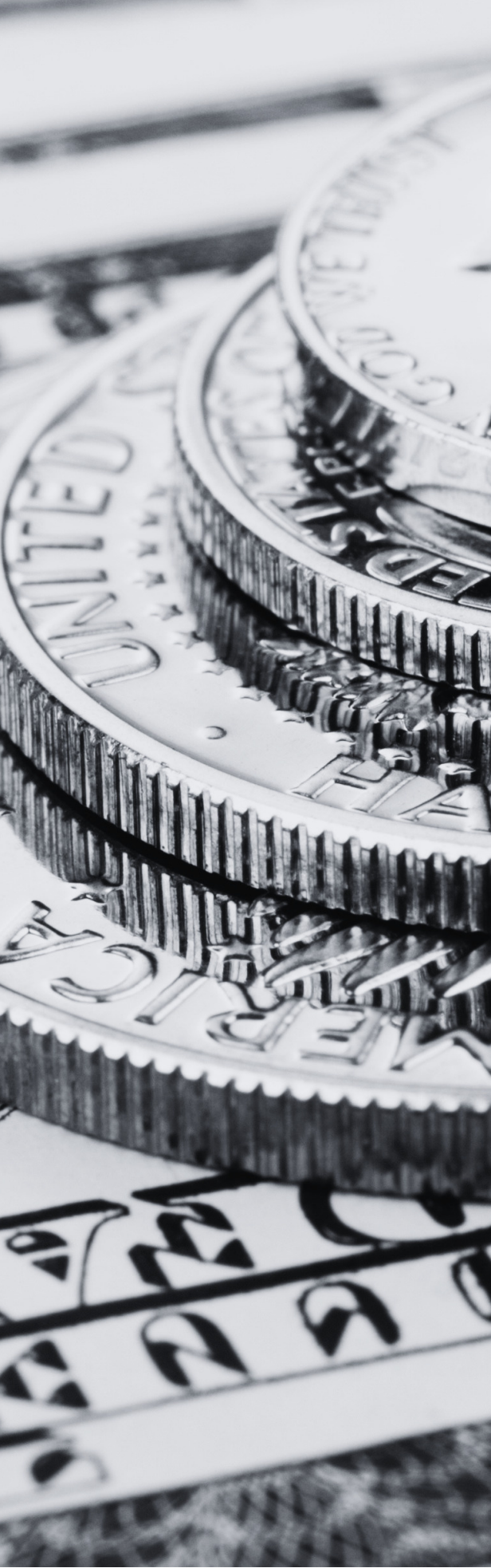
## Public School Buildings School Capital Reserve Fund

There is another article of sales tax that must be used for school capital needs. Article 42 half-cent sales tax was authorized in 1986. The authorizing statute requires that 60% of this amount be allocated to school's capital needs, including debt service for school construction. We estimate that we will receive \$1.8 million in this fiscal year. These funds will be used to pay debt service on the school buildings.

## What happens if we stop funding our reserve accounts?

Our reserve accounts are very young. They don't yet have sufficient funds to handle the deferred capital needs of the County, schools, and community college. In less than a year we could go through our entire building reserves. This would leave the County fund balance as the only remaining source of funds for new HVAC or roofs for buildings. If our fund balance goes below the amount required or needed for cash flow, then the only alternative would be a property tax increase.

# Important Considerations in Budget Development, continued



Any additional funds collected in excess of budget stay in the school capital reserve fund. The balance in the fund as of June 30, 2022, is approximately \$3.4 million dollars.

This amount is not part of the fund balance of the general fund. It appears as a separate fund in our audit report.

## **Discretionary Budget**

The County has wide discretion in spending. Except for grants, the County can expend funds within departments any way it chooses. The approval of the annual budget lets our departments know how much money they will have to operate on for the year.

The annual budget always includes contingency funds. Historically, the amount has been between \$300,000 and \$500,000 per year. These funds are for unforeseen costs that occur during the year and are allocated by the Board as necessary.

## **American Rescue Plan Funds**

The American Rescue Plan Act (ARPA) provided funds that can be used for various programs. The County's current plan includes, construction of water infrastructure, providing broadband services in underserved areas of the County, and premium pay for employees. We also have some unallocated funds.

We continually review the allowable uses of funds. The Finance Officer and County Attorney agree that one of the unallowable uses of funds is debt service.



# Important Considerations in Budget Development, continued

## **Federal Asset Forfeiture Funds (seized assets)**

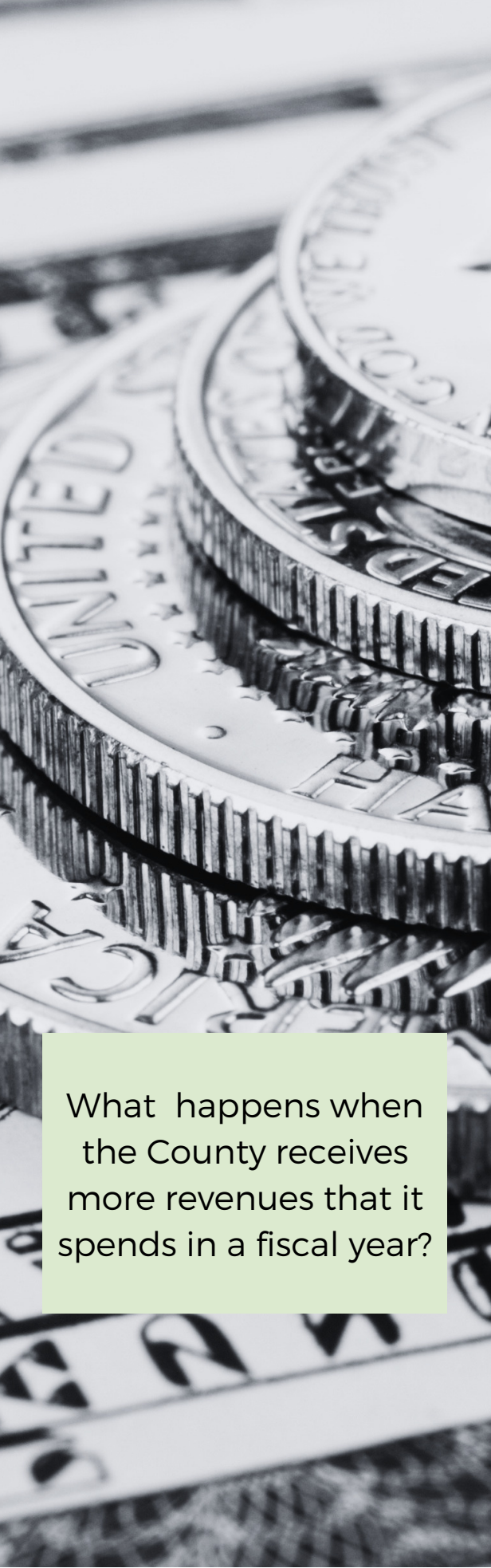
These funds are sent to the Sheriff's Department by various federal agencies for their work with federal authorities and other jurisdictions on cases. We deposit these funds in a separate bank account. The funds have some restrictions on their use, but they can only be used by the Sheriff's Department with the approval of the appropriation by the Board of Commissioners. The Board must approve the expenditure because the Finance Officer cannot pay an invoice without sufficient unencumbered funds being available for the expenditure.

## **Revenues Earned by Departments**

Except for grant funds and funds restricted by the State, all revenues earned by departments can be used at the Board's discretion. Departments occasionally earn more revenue than they estimated in their budget. This revenue may be expended at the request of the department with the approval of the Board.

Revenue that is not expended at the end of the year flows into the County fund balance and remains there until appropriated by the Board. The County does not keep up with fees and other revenues by department nor is it required to.

**Except for the water department, no other County department earns more revenue than they spend each year.** If that were to happen, then the excess funds would go into the County's fund balance and be available to pay County expenditures in future years.



What happens when the County receives more revenues than it spends in a fiscal year?

# Important Considerations in Budget Development, continued

## **Medicaid Expansion**

For the past several years we have heard about Medicaid expansion. Medicaid expansion is making more people eligible for the services. When more people are eligible for the service, the County is required to have enough income maintenance caseworkers on staff to evaluate the applications and certify or recertify eligibility on an ongoing basis. Medicaid is one of the costliest programs the County operates.

There are strict time limits to certify and recertify applications. If we fail to meet the deadlines, we will incur financial penalties. These penalties are payable from County funds.

If Medicaid expansion is approved, the County may need to find more caseworkers. Right now, we pay 25% of the cost of each caseworker we employ. This is subject to change by the federal government or the State legislature.

## **Medicaid Transformation**

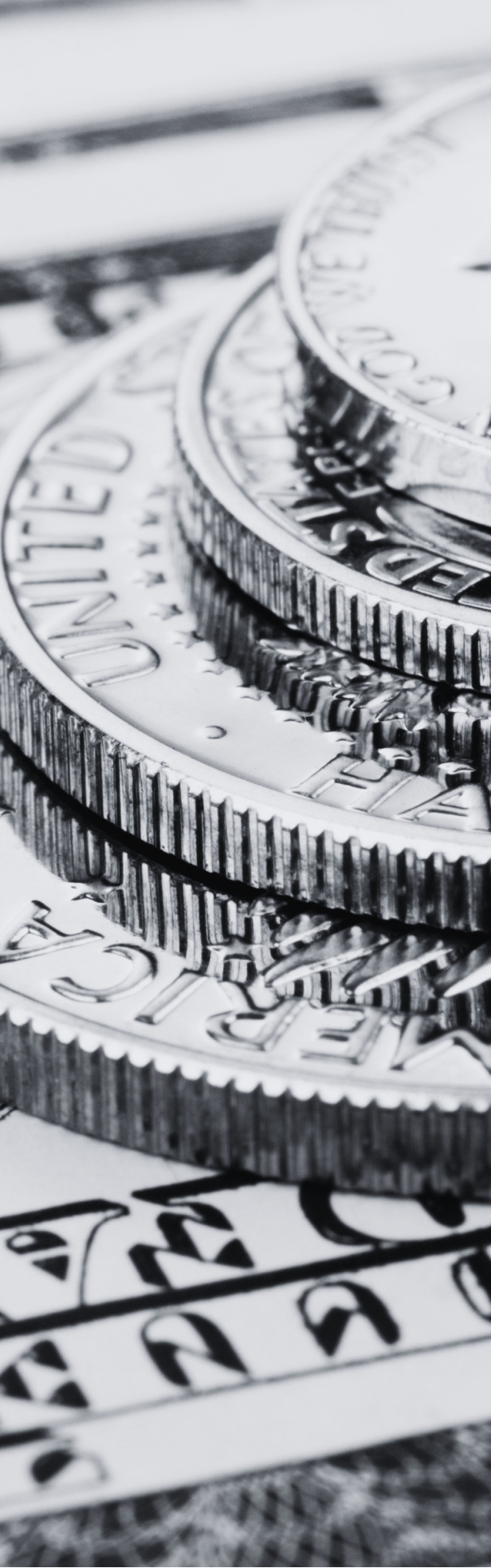
The State is currently implementing Medicaid managed care. We have started to see some of the effects of this in our non-emergency Medicaid transportation (NEMT). Our revenues for NEMT decreased last year and we expect them to further decrease this fiscal year.

Based on an analysis by the Transportation Director, we can expect revenue from NEMT to drop approximately \$152 thousand dollars (16%) when all the trips fall under managed care. These funds are important to the transportation program and allow them to operate throughout the County. These funds also help fund the Department of Aging programs.

Often national and state issues can be impactful to our local budget development.



# Important Considerations in Budget Development, continued



## **Inflation and Supply Chain Challenges**

The most current figure for inflation shows an annual rate of 8.5%. The County continues to experience increased prices for items and longer wait times. The vehicles that we order for the Transportation Department have gone up in price by approximately \$25 thousand dollars each and their delivery date has been pushed back approximately 18 months.

The delayed delivery times are also being experienced for the vehicles ordered by the Sheriff's Department last fiscal year. These delays will increase our maintenance costs.

## **Availability of Grant Funds**

We do also benefit from available federal and state grants.

- **Emergency Services Facilities** - The funds for the new facility for Emergency Services come from grants and a loan. The loan will be repaid from County funds. The budget includes 76% in grant funds and 24% in loan funds.
- **Travel and Training** - Our current budget includes approximately \$127,000 for training classes and conferences and approximately \$249,000 for travel. Training and travel by Social Services personnel is partially paid for by grant funds. Training and travel transportation department personnel is covered by grants and fees for service.



# County Indebtedness

The County borrowed money for the construction of school buildings and County facilities. The County also recognizes a significant liability related to pension and other post-employment benefits.

As of June 30, 2021, the County owed \$106,397,606 for loans related to buildings and equipment. The liabilities related to pension obligations and other post-employment health benefits amounted to \$14,165,697. Of that amount, approximately \$11 million was for other post-employment health benefits. Other post-employment health benefits is the health insurance for eligible retirees and employees eligible for the benefit.

As part of the implementation of the pay study that was completed in 2015, the County changed the eligibility criteria for other post-employment health benefits (OPEB). This change capped the number of eligible employees. As a result, our annual cost was reduced. In the actuarial study of the plan completed prior to the change the County's annual OPEB cost was calculated to be \$2,185,000. In the first year after pay plan implementation, the annual OPEB cost was calculated to be \$1,165,000, a **reduction of \$1,020,000.**

In fiscal year 2020-2021 the County paid approximately \$9.5 million for debt service costs. Of that amount, approximately \$6.8 million was from appropriations of property taxes.

The outstanding loans for the buildings and equipment are broken down on the following page.

As of June 30, 2021, the County owed \$106,397,606 for loans related to buildings and equipment. The liabilities related to pension obligations and other post-employment health benefits amounted to \$14,165,697.



# Outstanding Loan Balances

as of June 30, 2021



**SCHOOL BUILDINGS**

\$77,362,801.26

**SHERIFF'S OFFICE & DETENTION CTR**

\$8,362,185.00



**EMERG. SERVICES FACILITY**

\$7,700,000.00 \*\*

\*The County subsequently received a grant that reduces this amount to only **\$4,200,000**. This project budget includes **76%** grant funds and only **24%** loan funds.

**DSS/HEALTH BLDGS**

\$6,643,357.50



**COOPERATIVE EXT. & ANIMAL SHELTER**

\$1,748,565.00

**COURTHOUSE EXTEN.**

\$1,266,817.50



**REPLACEMENT RADIOS-SHERIFF/EM**

1,077,620.25

**ADMINISTRATION/FINANCE OFFICES**

\$904,020.00



**BOC AUDITORIUM**

\$713,700.00



**PUBLIC WORKS BUILDING**

\$618,540.00



**TOTAL OUTSTANDING DEBT**

**\$106,397,606.51**

*Long term economic stability depends on the continued reduction of indebtedness & liabilities.*


# A BUDGET PERSPECTIVE ON Redefining Government

In the budget message, the Manager talked about redefining government. “If the Board chooses to redefine government by reducing services, it will be challenging to accomplish without closely reviewing the larger departments/groups receiving significant tax support.”

With costs continuing to escalate, the County will need to consider how services can be delivered at a much lower cost. The County spends money on several different functions. Our largest is public safety followed by human services, education, debt service, general government, economic and physical development, culture and recreation, and environmental protection.

There are some of these items that are fully or partially paid for with grant funds. For example, our social services total budget is \$16.3 million dollars, and the County portion after fees and grants is \$6.3 million or 38% of the total. The County portion is referred to as net tax support. The Sheriff’s Department and Detention Center budgets total \$14.2 million dollars and the County portion after fees and grants is \$10.9 million dollars or 77% of the total.

Since approximately 31% of our operating budgets are comprised of salary and fringes, any significant budget reductions will include positions. Services that are currently provided will change.



What percent of the budget is salaries and fringes?



Our County has some choice in how services are provided. For example, if we take personnel from the Inspections Department, then permits and inspections will most likely take longer. There are other departments where a reduction in personnel may cost the County money. For example, if we reduce the number of income maintenance caseworkers in Social Services, then we will be taking more time to determine eligibility for services. If we take more than the time allowed by the State, then the County will be paying penalties for the delay. If for example, we reduce positions in public safety, that may result in longer response times for deputies and ambulances.

The County is not required to provide some of the services currently provided. Some of the things we are not required to provide include recreation opportunities, an exposition center, libraries, economic development, and an animal shelter.

In the current fiscal year, we cut all allocations to our reserve accounts. The result left us with approximately \$900,000 to pay for our increases in salary and operations. All this money has been absorbed into our operating budget. There will be no easy cuts to absorb increased costs for fiscal year 2023-2024. Any increase in estimated revenues, short of a property tax increase, will not be sufficient to pay for inflationary increases to our operating budget.

In this fiscal year the Board voted to remove the capital reserve contributions. We expect that any major repairs that are needed will reduce the amount in our reserves and we will quickly deplete our reserve funds and then we will have to rely on our unassigned fund balance to make necessary repairs to the facilities that the County is responsible for.



Can the County cut expenditures to avoid a property tax increase?




The Board also voted to remove the contribution to the revaluation reserve account. The County is required to revalue all parcels in the County every eight years. We accumulate the funds to pay for this service between revaluations. The service is estimated to cost approximately \$1.0 million and usually begins about 24 months before the new values take effect.

**In summary, whether we are redefining how we provide services or simply making cuts to operations, we must be cognizant of the short-term and long-term affects our actions will have on the future of Sampson County.**

The table on the following page illustrates the net tax support for County cost centers. Tax support includes all revenues not directly attributable to an individual function. For example, the revenues listed with the Inspections and Planning Department are those fees estimated to be collected by the Department during the year. Not all County departments are included on this list.

Those cost centers not listed receive no tax support. For example, the Transportation Department is self-supporting through grants and fees. The excess fees generated by the Department go to help fund Aging programs in the County. The Juvenile Justice Crime Prevention program is funded solely by a state grant. The Emergency Telephone System Fund is funded by fees received from the state. The Water Department is funded solely by collections from the sale of water.



What is "Net Local Tax Support?"



## Fiscal Year 22-23 Budget Tax Support

Net Tax Support General Fund Department	FY 22-23 Adopted Budget		
	Expenditure Budget	Revenue Budget	Net Local Tax Support
Sheriff & Detention Center	14,263,354	3,330,780	10,932,574
County Schools	11,413,699	1,039,110	10,374,589
Social services	6,332,358	-	6,332,358
Emergency Medical Services	7,095,664	2,350,000	4,745,664
City Schools	4,229,480	385,890	3,843,590
School buildings debt service	3,375,014	-	3,375,014
County buildings debt service	1,835,984	-	1,835,984
Health department	1,731,809	-	1,731,809
Public Buildings	1,706,553	-	1,706,553
Sampson Community College	1,669,056	-	1,669,056
Communications	1,464,076	-	1,464,076
Tax Administration	1,679,339	248,700	1,430,639
Finance	1,153,892	-	1,153,892
Information Technology	1,143,978	-	1,143,978
Solid Waste	1,276,845	143,900	1,132,945
Economic Development	1,211,439	291,850	919,589
Recreation	788,934	47,100	741,834
Library	832,177	129,764	702,413
Emergency Management	726,895	54,000	672,895
County Administration	614,106	-	614,106
N C Cooperative Extension	547,157	2,000	545,157
Animal Shelter	452,314	12,000	440,314
Agri-Exposition center	426,124	-	426,124
Board Of Elections	423,160	-	423,160
Human Resources	417,031	-	417,031
Contingency	380,910	-	380,910
Inspections & Planning	774,268	400,500	373,768
Volunteer Fire Departments	272,101	-	272,101
Soil Conservation	299,112	30,000	269,112
Mental Health Administration	261,680	-	261,680
Legal	300,812	39,500	261,312
Debt Service equipment	260,000	-	260,000
Forestry	199,893	-	199,893
Governing Body	174,069	-	174,069
Veterans	172,942	-	172,942
Finance Data Processing	143,484	-	143,484
Airport	110,512	2,500	108,012
Register Of Deeds	475,762	368,000	107,762
Aging programs	95,395	-	95,395
Coroner	63,600	-	63,600
Courts	57,538	-	57,538
Tower Expenditures	21,895	-	21,895
Dive Team	15,940	-	15,940
Industrial Utility	10,000	-	10,000
Special Appropriations	66,988	-	66,988
<b>Total</b>	<b>70,967,339</b>	<b>8,875,594</b>	<b>62,091,745</b>

# A QUICK REFERENCE TO Frequently Asked Questions

## **What is fund balance?**

Fund balance is essentially the accumulation of revenues minus expenditures. It represents the County's savings account.

## **What happens when the County receives more revenue than it spends in a fiscal year?**

When revenues exceed expenditures at the end of the fiscal year, the excess goes into the County fund balance. When the opposite occurs, the deficit comes out of our fund balance.

## **What is the purpose of fund balance?**

Some of the reasons to have fund balance are for cash flow, to avoid short-term borrowing, provide funds for emergencies, and protect the credit of the County.

## **What are the required and recommended fund balance amounts?**

The Local Government Commission (LGC) requires at least an 8% available fund balance. LGC staff recommends that local governments maintain a fund balance that is consistent with their peers that provide similar services.

## **What is fund balance appropriated?**

This is the amount of our savings that we anticipate that we could spend each year. This allows us to balance our budget without tax or fee increases.

## **What are capital reserve amounts?**

These are the amounts that the County has set aside for major repairs to County, school, and community college facilities.

## **What happens if we stop funding our reserve accounts?**

Our reserve accounts are very young. They don't yet have sufficient funds to handle the deferred capital needs of the County, schools, and community college. In less than a year we could go through our entire building reserves. This would leave the County fund balance as the only remaining source of funds for new HVAC or roofs for buildings.



# A QUICK REFERENCE TO Frequently Asked Questions

If our fund balance goes below the amount required or needed for cash flow, then the only alternative would be a property tax increase.

## **How do unplanned expenditures affect the County's budget?**

Since the County must set the property tax rate at the beginning of the year, there is not a chance to pay for unplanned expenditures without using our fund balance. When we hire additional personnel or raise salaries, those amounts must be added to the budget requirements for the next fiscal year. This reduces the amount of new funds available to pay for County operations and may require a tax increase in future budgets.

## **What are the largest revenue sources for the County?**

The largest revenue source for the County is property tax. In the current fiscal year, we budgeted \$41 million in current year property tax receipts. The next largest source is sales tax. The County budgeted to receive \$13.6 million in sales tax revenue.

## **How long does it take to develop the County budget?**

Budget development starts in January and concludes in June. State statute requires the Budget Officer (County Manager) to present his recommended budget by the first Board meeting in June. State statute requires the Board to adopt the full budget or an interim budget by July 1.

## **What percent of the budget is salaries and fringe benefits?**

Approximately 31% of our operating budgets are comprised of salary and fringes.

## **Can the County cut expenditures to avoid a property tax increase?**

The County can make budget cuts to lessen or avoid a property tax increase. The County is limited in the cuts we can make. For example, we could cut the staff from Social Services, but that could create a situation where services are not provided in a timely manner. If we don't meet the deadlines, we will incur penalties that would wipe out any savings.

# A QUICK REFERENCE TO Frequently Asked Questions

**What does the County need to do to stop providing a service (i.e., close a department)?**

The County is much like a private business regarding closing a department. The County can only close departments providing services that are not required by statute. For example, the County must provide for the incarceration of prisoners. In our case, we operate a jail. An example of a service we are not required to provide is a library. If the County were to choose to close some or all the County library branches, we would incur the same costs as a private business would. For example, we would have to pay unemployment. We would have to dispose of other assets. If we chose to reopen the library later, we would have all the same start-up costs.

**Can the County increase the sales tax rate?**

Changes to sales tax rates must be authorized by the State legislature and then approved by the County, usually following a County-wide referendum.

**What is “Net Local Tax Support”?**

This is the amount of money that the County must provide to pay the cost of operating a department. We take the expenditure budget for each department and subtract the amount of revenue generated by that department and the remaining amount is “Net Local Tax Support”. This amount is mainly comprised of property taxes and sales taxes.





## THE HUMAN INFRASTRUCTURE CHALLENGE

"Eighty-one percent of state and local governments are hiring new employees but face workforce challenges that are impacting total employment, according to a new research report from MissionSquare Research Institute conducted in collaboration with the International Public Management Association for Human Resources (IPMA-HR) and the National Association of State Personnel Executives (NASPE). The research also finds that despite more full-time employees hired in 2021, 69% of state and local government human resource professionals said more employees were quitting and 60% said more were retiring.

The state and local government human resources professionals surveyed for the research also reported the most difficult positions to fill are in healthcare (83%), policing (78%), engineering (78%), dispatch (75%), building permitting and inspections (73%), corrections/jails (72%), and skilled trades (71%)."

*<https://www.slge.org/news-posts/new-study-finds-state-and-local-governments-hiring-but-face-acute-challenges-retaining-workers>*

# Current Vacancies

as of September 1, 2022

## Administration (1 of 4)

Projects and Communications Specialist

## Aging (3 of 12)

1 In-Home Service Supervisor (RN), 1 Case Manager (Social Worker),  
and 1-ADC Program Manager (LPN)

## Sheriff (7 of 95)

Deputies

## Detention Center (7 of 50)

2 - Deputies, 5 Detention Center Officers\*

\*On October 25, 2019, the Detention Center had 8 vacancies

## Communications (4 of 22)

Telecommunicators (\*New - Jan 2023)

## EMS (5 of 52)

EMT/Paramedics

## Inspections/Planning (1 of 8)

Senior Planner

## Health (5 of 44)

PHN III, Social Worker II, FL Interpreter II, Environmental Health  
Program Specialist, Environmental Health Specialist (new 2/2022)

## Expo Center (1 of 2)

Exposition Center Manager

## DSS (15 of 150)

5-Social Workers, 5 Income Maintenance Caseworkers, 2 Processing  
Assistant IV, Deputy Director, Income Maintenance Supervisor,  
Accounting Clerk IV (Reclassifying 4 positions to meet agency needs)

## Transportation (1/12)

Driver (opening just occurred)

**Total Vacancies (9/1/2022) - 50 of 565 Full Time  
Positions**

**- Vacancies Change - Multiple Departments Have Challenges -**

Note: There are similar  
challenges for staff  
with high demand,  
specialized skills



# Recruitment Challenges

**Transportation** – Reclassification and increased pay for drivers implemented in January has eliminated hiring/retention challenges.

**Detention** – 10% pay increase implemented in September 2021, following a 5% COLA for all employees in July 2021, has not definitively helped with hiring or retention.

**DSS** – Social Workers have many opportunities with better pay and flexibility.

**Health** – Nurses have many options. Environmental Health Specialists are in demand.

**Inspections** – Senior Planners are in demand, and they are not cheap.

**Parks & Recreation** – Part-Time Youth are no longer willing to work for minimum wage. Other counties are now paying \$12 to \$15/Hour.

**EMS** – Paramedics are heavily recruited with many taking jobs in medical offices for more money and regular work schedules.

**Communications** – Burn out is a very real issue, and there is limited growth opportunity.

**Recruitment challenges have been steadily growing; however, the pandemic greatly exacerbated the problem. These are the same challenges facing all county governments.**



DSS  
21 OF 51 SOCIAL  
WORKERS LIVE OUTSIDE  
OF COUNTY

HEALTH  
10 OF 37 EMPLOYEES  
LIVE OUT OF COUNTY

EMS  
3 OF 63 FULL AND PART  
TIME EMPLOYEES LIVE  
OUTSIDE OF COUNTY

SHERIFF  
16 OF 91 EMPLOYEES  
LIVE OUTSIDE OF  
COUNTY

DETENTION CENTER  
18 OF 52 DETENTION  
OFFICERS LIVE OUT OF  
COUNTY

\*DATA SHARED PREVIOUSLY AT  
FEBRUARY WORK SESSION.

# Recruitment Challenges



## **SERVICE RESPONSE TIMES WILL SUFFER WITH VACANCIES**

### **REPLACING EXPERIENCE**

Lost productivity due to vacancies and training new hires

### **NEW HIRE EXPECTATIONS - STARTING AT SAME OR GREATER SALARY**

We recently hired a new DSS Director. Several qualified applicants withdrew applications because of salary range.

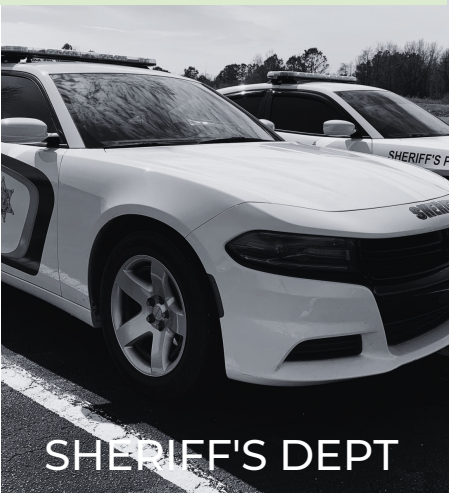
### **EVERYTHING IS PORTABLE NOW**

New hires are not looking 30 year careers and are not willing to “put in their time” for advancement.

Younger applicants want greater flexibility in where and how they work. They are much more mobile.



Deputies & Detention  
Officers



SHERIFF'S DEPT

EMS



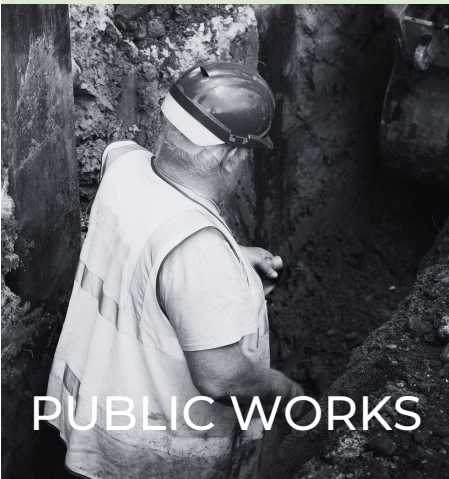
Paramedics dealing with  
emergency conditions.



Social workers dealing with  
child & adult protective  
services.

DSS

Utility crews responding to  
outages at all hours.



PUBLIC WORKS

## OUR EMPLOYEES AT RISK

ANIMAL SHELTER



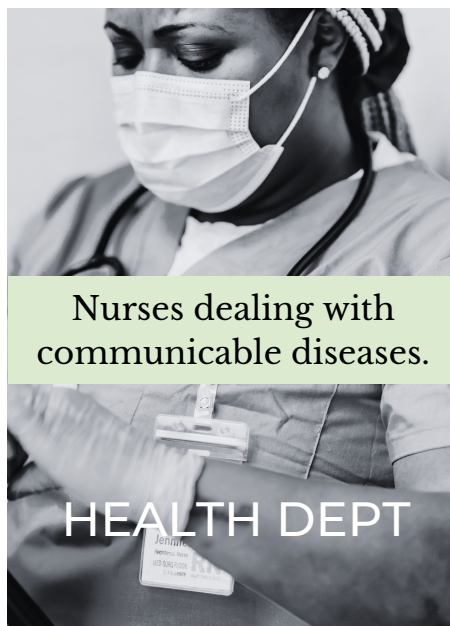
Workers dealing with feral,  
rabid or diseased animals.

Employees managing  
emergency/disaster  
response.



EMERG MGMT

Nurses dealing with  
communicable diseases.




HEALTH DEPT



Telecommunicators  
handling traumatic calls.

COMMUNICATIONS

Many employees face a risk each day. All departments experience the stress of the job, be it simply the regular demands of public service.



# Responding to the Challenge

## **EXTERNAL**

What are other agencies doing to respond to recruitment and retention challenges?

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### **Ideas Implemented By Other Government Entities**

Flexible Work Schedules - shorter work week, work from home, flexible days/hours.

Career Paths - for each department.

Increased Benefits - including additional holidays, fitness center, on-site health clinic, reinstating longevity, student loan-forgiveness, tuition reimbursement, on-site childcare, pet insurance, shared positions, performance bonus, referral bonus, cost-savings incentive bonus, praise and recognition, fertility benefits, financial advisement, paid internships

Market Study and Full Implementation





# Market Studies

## **Their purpose.**

Local governments are challenged to attract and retain qualified employees, often competing with each other and the private sector.

**A market value salary is the amount of money that an employee should be paid for their position, based on the current market conditions.**

A salary market study is an analysis of the County's present position classification system, pay plan and benefits. It provides pay and benefits comparisons with competing labor markets, updates to existing classifications and recommendations on amending the current Pay Plan. Also included are recommendations for changes in the grade assignments of individual position classifications and/or proposed employee pay changes.

## **Their Value.**

The effectiveness of local government is measured in several ways. Two of the most important dimensions are the stewardship of public dollars and the delivery of services to citizens. A comprehensive review and comparable analysis of the County's classification system with previously identified local government entities in our relevant labor market ensures that our salary grade structure and benefits remain competitive with comparable employers. Recommendations are designed to ensure both salary grades and salary ranges are sufficient for the County to attract and retain well qualified employees as well as retain existing staff to meet varied service delivery requirements.

## **DOL JOB CLASS**

Job Class is a system used to classify workers into occupational categories for the purpose of collecting, calculating, or disseminating data to make comparisons over time. All positions are classified into occupations according to their occupational definition. To facilitate classification, detailed occupations with similar job duties, skills, education, and/or training are combined to form groups. Job Class is used to help determine the pay grade for positions.



# Salary Classification Systems

A compensation structure (or salary structure) is a hierarchal group of jobs that are assigned to salary ranges within an organization. Salary structures are composed of pay grades that **reflect the value of a job within both the internal organization and external job market**. Our 2015 Pay Plan and Classification Study included an update to our classification structure and provided the methodology by which all of our jobs are systematically evaluated. All positions receive a grade and salary range which is not arbitrary, but based upon:

Training and Ability

Level of Work

Physical Demands

Independence of Actions

Supervision Exercised

Experience Required

Human Relations Skills

Working Conditions

Impact on End Result

Local governments maintain such a salary classification system for a number of reasons:

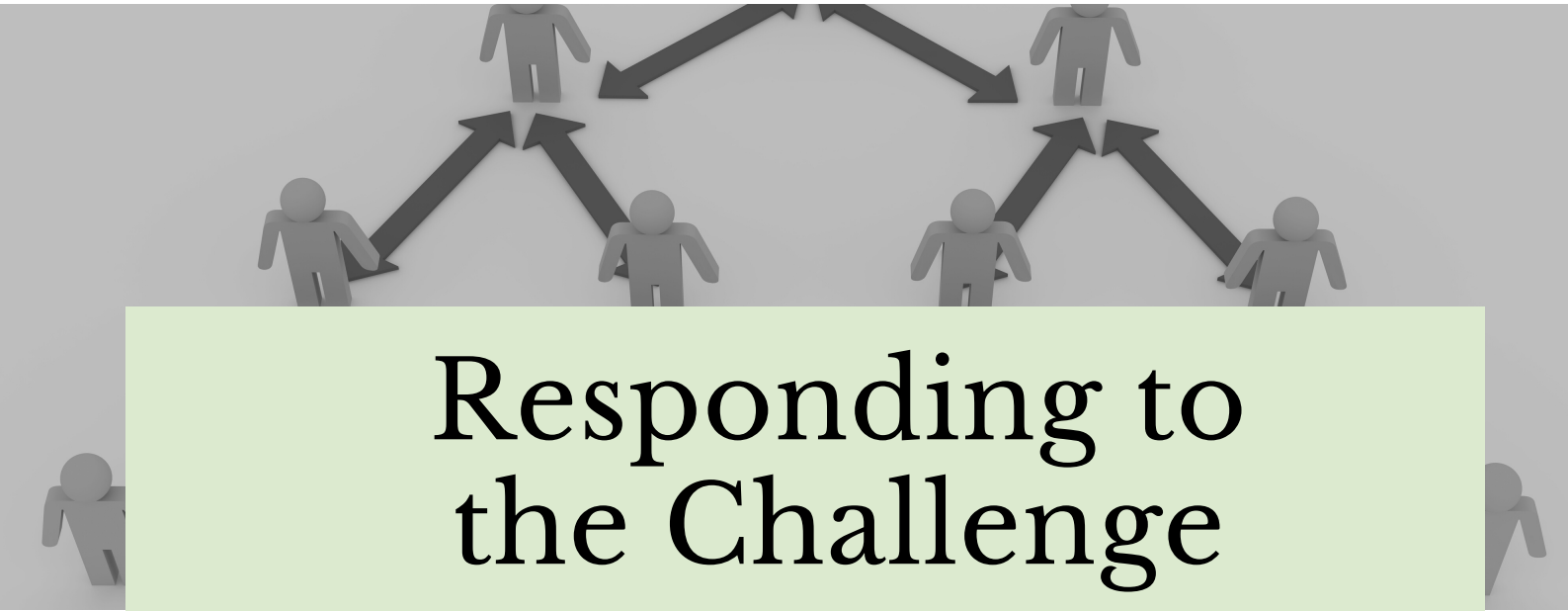
**Consistency.** Through a salary structure, employees have the assurance that their pay is fair, and management can also be confident that the compensation of individuals performing the same job duties is equitable. It prevents favoritism or other unfair pay treatment. It allows for classifications/job descriptions that ensure we comply with applicable laws.

**Transparency.** Seeing where they fall in the organizational hierarchy can be both rewarding and motivating for employees. It helps assure them that they are being paid fairly in comparison to their peers and provides a more visible career ladder.

**Cost Control and Planning.** Salary structures provide guidelines for pay decisions. It is critical that we have a rational explanation for why an employee is paid a certain rate. Plus, if management knows the minimum and maximum pay for each job, planning for future costs is a whole lot easier.

Shifts in compensation which do not take into consideration the overall classification system can skew overall pay equity and market competitiveness. It can serve to damage morale and cause unintended difficulties in recruitment.





# Responding to the Challenge

## INTERNAL

What are our departments doing to respond to recruitment and retention challenges?

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### Ideas Implemented By Our Departments

As previously shown, the Department of Social Services is experiencing significant employee shortages. As of September 1, they had fifteen vacancies of a total of 151 employees: five Social Workers, five Income Maintenance Caseworkers, two Processing Assistant IV positions, a Deputy Director, an Income Maintenance Supervisor, and an Accounting Clerk IV. DSS faces constant turnover and remains focused on meeting the needs of the organization as follows:

- Reorganize resources
- Realign structure
- Reclassify positions
- Research best practices
- Request short-term assistance for over-time

To determine if similar strategies may be helpful in other departments, it might be helpful to compare vacancies and organizational structures.

# Organizational Comparisons - Sheriff's Office

## Total Positions – 95 Full-Time/2 Part-Time

*\*Undesignated = HR does not have assignment information*

*CID = Criminal Interdiction; SID - Special Investigations; SRO=School Res. Officer*

**Sheriff (Grade 84) – 1**

**Chief Deputy (Grade 79) – 1**

**Captain (Grade 76)– 5**

*(CID, Civil, SID, Training, Uniform)*

**Lieutenant (Grade 74) – 6**

*(1 Each: CID, Courts, Patrol, SID, Special Services, and 1 Undesignated)*

**Lead Detective (Grade 72) – 4**

*(2 CID and 2 SID)*

**1st Sergeant (Grade 72) – 4**

*(1 Each: Domestic Violence and Transport, and 2 Undesignated)*

*\*This supervisory level was added 4/1/2020 at the request of Sheriff*

**Detective (Grade 71) – 11**

*(6 CID and 5 SID)*

**Sergeant (Grade 71) – 10**

*(1 Each: Animal Control, Civil, Courts, Desk, SRO, Roseboro, and 4 Undesignated)*

**Evidence Technician (Grade 71) - 1**

**Deputy Sheriff III (Grade 69) - 15**

*15 (1 Animal Control, 1 CID, 3 Civil, 2 Courts, 4 SRO, 4 Undesignated)*

**Deputy Sheriff II (Grade 68) – 13**

*(1 Animal Control, 2 Courts, 2 Hwy Safety, 2 SRO, 7 Undesignated)*

**Deputy Sheriff I (Grade 67) – 20**

*1 Courts, 1 Hwy Safety, 2 Gangs, 1 Roseboro, 3 SRO, 12 Undesignated)*

**Senior Administrative Support Specialist (Grade 66) – 1**

**Administrative Support Specialist II – Gangs (Grade 64) - 1**

**Administrative Support Specialist I (Grade 62) - 2**

**Part Time Assistants**

*1 Deputy at \$25/Hour and 1 Admin. Assistant \$14.41/Hour*

Management/Supervisory  
42 of 95



# Organizational Comparisons - EMS

**Total Positions – 52 Full-Time/Fluctuating Part-Time**

*\*In addition, EMS is managed by Emergency Services Director*

**Operations Chief – 1  
Training Officer – 1  
Shift Supervisors – 3**

**Management/Supervisory  
5 of 52\***

**Full Time EMT/Paramedics - 47**

# Organizational Comparisons - Communications

**Total Positions – 18 Full-Time/Fluctuating Part-Time**

*\*In addition, Communications is managed by Emergency Services Director*

**Manager – 1  
Assistant Manager – 1  
Shift Supervisors – 4**

**Management/Supervisory  
6 of 18\***

**Telecommunicators- 12 FT/+ 4 in January**

# Organizational Comparisons - DSS

**Total Positions – 152 Full-Time**

Management/Supervisory  
31 of 150

**Director – 1**

**Human Service Deputy Director - 1**

**Accounting, Clerical Support & Quality Assurance - 4**

*1 Business Officer supervising 1 Accounting Tech and 2 Human Services Evaluators*

**Human Resources - 7**

*1 Personnel Technician III supervising 2 Administrative Assistants, 1 Processing Assistant IV and 3 Foreign Language Interpreters*

**Information Technology - 3**

*1 Computer Systems Administrator II supervising 2 Computing Support Tech II positions*

**Child Support Services - 13**

*1 Human Services Deputy Director\*, supervising 1 Child Support Supervisor II, supervising 2 lead agents, 9 agents, and 1 Processing Assistant IV position*

**Income Maintenance - 57**

*1 Income Maintenance Administrator I, supervising 1 Income Maintenance Supervisor III, supervising 4 IM III positions, 3 Processing Assistant IV positions, and 5 IM Supervisor II positions, supervising 4 IM III positions, supervising 39 IM I and IM II positions*

**Child Welfare Protective Services - 28**

*1 Human Services Deputy Director\*, supervising 1 SW Program Manager, supervising 5 SW Supervisor III Positions, supervising 22 Social Workers*

**Child Welfare Foster Care/Adoption - 18**

*1 Human Services Deputy Director\*, supervising 1 SW Program Manager, supervising 1 Paralegal and 3 SW Supervisor III Positions, supervising 13 Social Workers*

**Adult and Family Services - 20**

*1 Human Services Deputy Director\*, supervising 1 SW Program Manager, supervising 1 Paralegal and 3 SW Supervisor III Positions, supervising 10 Social Workers, 2 IM II Positions, and 3 Processing Assistant IV positions*



# STAFFING DATA



## Sheriff's Office

	Totals	2022 (Jan-Aug)	2021	2020	2019	2018
<b>Departures</b>	<b>45</b>	5	6	12	10	12
Retirees	8	2	3	0	1	2
Full-Time	29	3	3	10	8	5
Part-Time	8	0	0	2	1	5
<b>New Hires</b>	<b>38</b>	2	14	6	11	5
Full-Time	25	0	6	5	10	4
Part-Time	13	2	8	1	1	1

\*Part-Time = Office Assistance and Transport Drivers for Federal Prison Contract and cleaning up old records in 2018.

## Detention Center

	Totals	2022 (Jan-Aug)	2021	2020	2019	2018
<b>Departures</b>	<b>60</b>	9	15	6	17	13
Retirees	5	1	1	0	0	3
Full-Time	53	7	14	6	16	10
Part-Time	2	1	0	0	1	0
<b>New Hires</b>	<b>80</b>	11	16	13	21	19
Full-Time	79	11	16	13	20	19
Part-Time	1	0	0	0	1	0

# STAFFING DATA



EMS						
	Totals	2022 (Jan-Aug)	2021	2020	2019	2018
<b>Departures</b>	<b>35</b>	9	9	0	5	12
Retirees	0	0	0	0	0	0
Full-Time	17	2	7	0	3	5
Part-Time	18	7	2	0	2	7
<b>New Hires</b>	<b>42</b>	7	14	3	10	8
Full-Time	20	3	3	2	6	6
Part-Time	22	4	11	1	4	2

\*52 Full Time Positions

Communications						
	Totals	2022 (Jan-Aug)	2021	2020	2019	2018
<b>Departures</b>	<b>39</b>	6	6	5	4	18
Retirees	2	1	0	1	0	0
Full-Time	16	4	3	3	0	6
Part-Time	21	1	3	1	4	12
<b>New Hires</b>	<b>37</b>	7	8	7	3	12
Full-Time	15	4	6	4	0	1
Part-Time	22	3	2	3	3	11

\*18 Full Time Positions, plus 4 additional added January 2023 per approved budget.



# STAFFING DATA



DSS						
	Totals	2022 (Jan-Aug)	2021	2020	2019	2018
<b>Departures</b>	<b>107</b>	24	27	17	18	21
Retirees	15	2	4	2	2	5
Full-Time	90	21	22	15	16	16
Part-Time	2	1	1	0	0	0
<b>New Hires</b>	<b>99</b>	16	27	16	20	20
Full-Time	97	16	26	16	19	20
Part-Time	2	0	1	0	1	0

Note that the total departures for DSS (107) are comparable to the totals on the previous pages for the Sheriff's Dept. and Detention Center (105).

All County						
	Totals	2022 (Jan-Aug)	2021	2020	2019	2018
<b>Departures</b>	<b>508</b>	99	96	105	108	100
Retirees	65	9	16	12	11	17
Full-Time	295	59	68	51	63	54
Part-Time	148	31	12	42	34	29
<b>New Hires</b>	<b>542</b>	90	133	80	122	117
Full-Time	362	62	96	53	78	73
Part-Time	180	28	37	27	44	44

# STAFFING DATA - COMPARISONS

## Staffing Data Comparisons - Departures

	Totals	2022 (Jan-Aug)	2021	2020	2019	2018
<b>Total Departures</b>	<b>508</b>	<b>99</b>	<b>96</b>	<b>105</b>	<b>108</b>	<b>100</b>
Sheriff's Dept	45	5	6	12	10	12
Detention Center	60	9	15	6	17	13
DSS	107	24	27	17	18	21
EMS	35	9	9	0	5	12
Communications	39	6	6	5	4	18
Health	37	6	9	12	6	4

## Staffing Data Comparisons – New Hires

	Totals	2022 (Jan-Aug)	2021	2020	2019	2018
<b>Total New Hires</b>	<b>542</b>	<b>90</b>	<b>133</b>	<b>80</b>	<b>122</b>	<b>117</b>
Sheriff's Dept	38	2	14	6	11	5
Detention Center	80	11	16	13	21	19
DSS	99	16	27	16	20	20
EMS	42	7	14	3	10	8
Communications	37	7	8	7	3	12
Health	39	8	13	10	5	3



# Compensation and Benefit Matters



As previously noted, the Board of Commissioners has made significant recent efforts to mitigate our challenges in employee compensation - from implementing a market study in 2015, periodic COLA increases in ensuing years, to a 2.1% employee bonus from ARPA funding, to an across-the-board employee increase at the end of 2021. However, in an effort to avoid a tax increase in the FY 22-23 budget, COLAs were not included. This put us behind many local governments who did budget them for FY 22-23.

City of Clinton - 3% + \$500 bonus (more for Police Department)

Cumberland County - 4%

Town of Wallace - 5%, LEOs 8.5%

Duplin County - Completed a pay study with varying salary adjustments

Harnett County - 3%

Pender County - 5%

Johnston County - 3%

Wayne County - Completed a pay study 4% - 30% salary adjustments

City of Goldsboro - 3%

Lenoir County - 5% to 8%

These COLAs effectively moved salaries beyond our current pay scale for most new hires.

# Compensation and Benefit Matters



## NC County Salaries

Each year, the UNC School of Government surveys all North Carolina Counties for salary information on all positions. The information is combined and shared in a yearly report every April. The latest report provides salaries for 2021; however, we know that many neighboring counties have conducted salary studies and implemented Cost of Living Adjustments (COLAs) and bonuses in 2022.

Likewise, the 5% COLA provided to Sampson County employees in January 2022 is not reflected in the Salary Survey.

*<https://www.sog.unc.edu/publications/reports/county-salaries-north-carolina-2021>*

# Compensation and Benefit Matters



## Local Salaries - Chief Executive Officers

**Sampson Regional Medical Center – 401 FT, 10 PT, 80 PRN**  
Dr. Shawn Howerton - \$395,959.20

**Sampson Community College – 136 FT, 132 PT**  
Dr. Bill Starling - \$166,374

**Clinton City Schools – 386 FT, 53 PT, 2,973 Students**  
Dr. Wesley Johnson - \$149,305

**Sampson County Schools – 1078 Employees, 7,758 Students**  
Dr. David Goodin - \$149,240.04

**Sampson County Government – 565 FT, Fluctuating (40-80) PT**  
Mr. Edwin Causey - \$161,868  
\*12 Years as County Manager  
\*\*35 Years Government Management Experience



# County Manager Salaries-2021

County	Pop.	Tax Valuation	Salary	Travel Allowance	Yrs in Pos
Washington	12,000	86	95,000	Car Available	3
Jones	9,050	882,565,061	109,935	Annual Travel Allowance (	14
Duplin	58,505	4,628,707,585	112,614	Annual Travel Allowance (	4
Scotland	36,000	2,294,380,500	124,668	Annual Travel Allowance (	13
Greene	20,451	1,268,948,999	126,499	Annual Travel Allowance (	6
Bladen	29,465	2,589,920,828	128,444	Car Available,Annual Trave	25
Lenoir	55,908	4,124,000,000	134,611	Annual Travel Allowance (	2
Pender	63,060	7,712,252,949	141,339	Annual Travel Allowance (	2
Randolph	143,667	11,981,000,000	161,554	None	7
<b>Sampson</b>	<b>63,431</b>	<b>4,971,000,000</b>	<b>161,868</b>	<b>Annual Travel Allowance (</b>	<b>11</b>
Carteret	68,500	13,830,066,849	162,107	Annual Travel Allowance (	1
Wilson	81,801	6,512,164,486	162,816	Annual Travel Allowance (	7
Chatham	76,500	13,480,000,000	164,440	Annual Travel Allowance (	1
Harnett	139,256	1	164,511	Annual Travel Allowance (	6
Moore	100,880	13,124,165,216	170,000	Car Available,Annual Trave	8.6667
Rockingham	92,000	7,863,000,000	172,550	Car Available,Annual Trave	10
Beaufort	44,652	5,590,115,683	174,887	Annual Travel Allowance (	6
Brunswick	148,760	30,635,229,148	186,354	Car Available	2
Wayne	122,623	7,242,157,639	189,340	None	4
Lee	61,779	5,923,707,300	190,268	Annual Travel Allowance (	14
Robeson	134,811	7,360,637,890	205,279	Car Assigned:	2
Nash	94,970	7,984,000,000	206,462	Annual Travel Allowance (	7
Pitt	179,042	1	209,879	Annual Travel Allowance (	19
Onslow	196,830	13,730,379,389	214,200	Car Available,Annual Trave	2
Craven	102,139	10,010,000,000	220,090	Annual Travel Allowance (	11
Johnston			229,021	Annual Travel Allowance (	22
Cumberland	335,509		237,308	None	7
Wake	1,129,000	177,000,000,000	260,663	Annual Travel Allowance (	3
New Hanover	223,000	34,217,620,000	264,183	Annual Travel Allowance (	9.25

# Compensation and Benefit Matters



## 2015 Pay Plan Provisions: A Look Back

### Post-Employment Health Insurance Benefits

- New Employees and employees who have been employed less than 5 years as of July 1, 2015 will no longer be eligible for post-employment health benefits.
- Employees with less than 15 years of consecutive service with Sampson County as of July 1, 2015 will be required to work for Sampson County for 20 consecutive years as a permanent employee and be at least age 58 to be eligible for post-employment health benefits.
- Employees with 15 years or more of continuous service with Sampson County as of July 1, 2015 will continue under the current plan as revised.

\*NOTE FOR COMPARISON: Members of the NC Teachers and State Employees Retirement System hired on or after January 1, 2021, are not eligible to receive retiree medical benefits. This is becoming standard practice with most employers and especially government employers.

# Compensation and Benefit Matters



## 2015 Pay Plan Provisions: A Look Back

### Provision for Post-Retirement Plans

To assist employees with preparing for retirement needs, the 2015 Pay Plan also revised the County's contributions to 401k accounts.

To offset the loss of post-retirement health benefits, the County agreed to 1.5% contributions to all employee 401k accounts. (LEOs receive 5% per state law.) At the same time, the County agreed to match up to an additional 3.5% contribution to all employee 401k accounts.

These changes in post-retirement health benefits allowed the County to reduce future liability resulting in approval of a lower interest rate on outstanding debt.



# Compensation and Benefit Matters



## EMPLOYEE BENEFITS Annual Cost to the County

Health Insurance	\$10,620 (see following table for employee costs)
Dental Insurance	\$360.00 (see following table for employee costs)
Vision Insurance	Employee Option
Life Insurance	\$33.60 (\$10,000 Term)
Flex Savings Account	Employee Option
Cafeteria Fees	\$72
401K	1 ½ % of Employee Salary with match up to 5%
LEO 401K	5% of LEO Salary
NC Retirement	12.14% of Employee Salary
LEO Retirement	13.04% of Employee Salary
Medicare	1.45% of Employee Salary
Social Security	6.20% of Employee Salary
Special Sep. Allowance (only LEOs eligible)	Additional monthly benefit for retired LEOs aged 55-62 (salary X years X .0085)
Longevity	Eliminated for employees not fully vested at full implementation of pay plan

# Compensation and Benefit Matters



## HEALTH INSURANCE: The County's Costs

County Cost Per Employee, Per Month:

2018-2019 - \$734  
 2019-2020 - \$774  
 2020-2021 - \$805

2021-2022 - \$845  
 2022-2023 - \$885

Employees had no increase in premiums until 2022-2023 when the County offered a Buy-Up Plan Option modeled after the NC State Employees' Insurance Plan. Employees could maintain their current premium with reduced coverage OR pay more premium to maintain the current level of coverage. 379 Employees selected the Buy-Up Option.

## HEALTH INSURANCE: The Employee's Costs

Monthly Cost Per Annual Income Level	Employee Only Coverage		Employee + Spouse Coverage		Employee + One Child Coverage		Employee + Family Coverage	
	80/20	70/30	80/20	70/30	80/20	70/30	80/20	70/30
Less than 25,000	\$ 0	\$ 0	\$300	\$250	\$180	\$150	\$522	\$435
25,001 – 35,000	\$ 17	\$ 14	\$317	\$264	\$197	\$164	\$539	\$449
35,001 – 45,000	\$ 30	\$ 25	\$330	\$275	\$210	\$175	\$552	\$460
45,001 – 55,000	\$ 59	\$ 49	\$359	\$299	\$239	\$199	\$581	\$484
55,001 – 65,000	\$ 90	\$ 75	\$390	\$325	\$270	\$225	\$612	\$510
65,001 and over	\$120	\$100	\$420	\$350	\$300	\$250	\$642	\$535

Employee Dental Insurance Costs: \$5.00 per month.



# A Clarifying Perspective

The issue of employee compensation has generated a great deal of conversation. It is an important, emotional topic that warrants serious conversation. But, that conversation cannot be productive unless it is factual. There are a number of points that are indisputable: that knowledgeable, trained employees are a valued, and sometimes limited resource; that all our employees deserve adequate, fair and equitable compensation; and that we have an obligation to use public funds in a prudent manner. However, as the issues have played out in the public, there is information that is disputable, clearly erroneous, and merits clarification as we all seek to resolve our challenges.

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**Misperception: The Board of Commissioners and Administration have not done anything to support our law enforcement officers.**

*Sheriff Thornton, quoted in The Daily Record and on social media, attributes the loss of employees to the lack of support from the Board and Administration, saying: "Due to the failure of the County Manager to work with my office to fully fund our officers ... "*

It is disingenuous to intimate that the Board of Commissioners and County Administration have done nothing to support our law enforcement and detention officers. Obligated to make decisions in the best interest of ALL our employees, our taxpayers, and understanding the impact short term decisions can have in the long term, the Board seeks to address challenges in a manner that does not result in unintended consequences. In a September 2021 email to all County employees (**Exhibit A**), County Manager Ed Causey recapped the Board's ongoing efforts to meet our compensation challenges. He noted that following a market study in 2014, the Board was presented with three possible avenues to resolve compensation problems. The Board chose to implement the alternative that required the **largest** expenditure, more than **\$3,700,000** in pay increases for county employees over a four year period. Given the magnitude of this implementation, two other salary study recommendations to keep employee salaries current were not able to be implemented. From 2015 to 2021, only two small COLAS and one incremental increase to move employees to salary midpoint were possible, partially due to the impact of the pandemic. However, it is important to remember many local governments chose to layoff employees during the pandemic; Sampson County did not.





## A Clarifying Perspective

We also call your attention to the timeline included as **Exhibit B** which highlights the Board's efforts between July 2021 and the present to address our compensation challenges. As the timeline demonstrates, the raises for all employees - including the Sheriff's Office and Detention Center employees - were not insignificant, totaling at least 12.1% for all employees, and 17.1% for Detention Center employees. As to consideration of requests and needs specific to the Sheriff's Department, we call your attention to **Exhibit C**, a synopsis of actions taken from 2017 to the present. As this illustrates, County Administration and Human Resources have implemented multiple pay grade re-classifications and salary alignments/increases in response to the Sheriff's requests.

**Misperception:** The Board of Commissioners and Administration have disregarded the Sheriff's plans to generate additional revenues for compensation.

*Sheriff Thornton makes the claim "my proposal was denied", or "my proposal was rejected" in numerous social media postings and in interviews. In a letter to the Sampson County Board of Commissioners dated August 5, 2022, he writes, "Back in December 2020, I proposed to the County Manager a plan to hold federal prisoners in our jail for a fee. That fee should have provided the Sheriff's Office with the money it needed to pay deputies and guards' competitive salaries at no cost to taxpayers ... I ran into a bureaucratic stonewall." Sheriff Thornton, in an interview with WRAL: "I made a proposal ... that request was denied."*

The Sheriff presented a proposal to the County Manager in December 2020 to hold federal prisoners in our Detention Center for a fee. The Sheriff was adamant that the recommendations be met in their entirety or he would not agree to the contract. Ultimately, a revised contract was indeed signed.

**Administration concerns:** Is it safe to increase the number of prisoners housed in a Detention Center facility with personnel shortages? Are the anticipated revenues realistic? In an email to the Board in January 2021, the County Manager voiced concerns about an existing revenue shortfall for housing out-of-county prisoners and warning that in preparing the budget for FY 22-23, such anticipated revenues would have to be based on demonstrated receipts. Any shortfall would present a built-in challenge going into the new fiscal year.



# A Clarifying Perspective

**Misperception: The revenues that the Sheriff generates are being misdirected to other departments.**

*The Sheriff makes the claim that his federal prisoner housing contract creates enough revenue to pay for salary increases, at "no cost to tax payers." In response to the Sheriff's Facebook posting, many citizens make the claim that the revenues being generated by housing out-of-county prisoners are being misdirected for other needs.*

In his Budget Message for the FY 22-23 budget, Mr. Causey outlined projected shortfalls in projected revenues for housing prisoners and projected increases in the operating costs the the Sheriff's Office and Detention Center and the net tax support needed to fund them. (See **Exhibit D.**)

From the Budget Message: Operating expenses for the Detention Center and Sheriff's Department are \$4,885,805 and \$9,506,848, respectively. The total budget for the Sheriff's Department including detention is \$14,392,653. The combined proposed expenditures for the Department have increased \$894,333 over the last year. They do have projected revenues of \$3,330,780. Last year, we reported that their total expenditures had increased 62% over the last 10 years. We applaud the department for their willingness to enter into a contract to house federal prisoners. Unfortunately, we are projecting \$336,891 less in the proposed federal contract than last year.

**The net tax support provided to the Sheriff's Department is more than that received by any other department and our school systems.**

In addition to the operating costs of the Sheriff's Office and Detention Center, the County must pay the debt service on these facilities, including the debt for the additional "pod" that allows space for housing out-of-county prisoners. The outstanding debt for these facilities is **\$8,362,185.00, or an annual cost of \$530,000.**



# A Clarifying Perspective

Misperception: There are not enough available officers to ensure the safety of Sampson County citizens.

*Sheriff Thornton, quoted in The Daily Record and on social media: "Right now we have four deputies on patrol at night when we need at least eight."*

It is true that the Sheriff's Department and Detention Center are significantly challenged by vacancies. As discussed in the previous Human Resources section, this is a problem experienced throughout County government. It is a public and private sector problem. It is a local, state, and national problem. Our problems have not, despite public opinion, been ignored. In an email to the Board July 28, 2022 (**Exhibit I**), County Manager Causey reports 47 vacancies, noting that they are significant in the critical departments providing public safety, emergency services, public health and human services and approaching 10% of the County's total workforce. He cautioned that this could impact the County's delivery of services and cause increases expenses in overtime.

We applaud many of our departments who have been proactive when addressing employee shortages by realigning or reorganizing their available workforce to ensure services are provided efficiently. Our Social Services Department, which is experiencing a similar vacancy rate, continues to meet their challenges this way. Even the Sheriff has embraced this philosophy somewhat. While the Animal Shelter is currently closed for deep cleaning and installation of new cages, Animal Control officers are being utilized to serve civil process and assist the grand jury. The duty assignments of the Sheriff's department are the sole responsibility of the Sheriff. With 95 funded positions, the possibility for duty reassignments to meet current identified needs might offer increased efficiency while sustainable long-term solutions are found. Maximizing available resources is a sound and guiding philosophy for budget expenditures.





# A Clarifying Perspective

**Misperception:** The Sheriff has not had the opportunity to present his department's needs.

*Sheriff Thornton, in the letter to the County Commissioners dated August 5, 2022, "In past years, I've met with the County Manager to explain the Sheriff's Office needs and budget. That did not happen this year or last year. The County Manager did the Sheriff's Office budget with little input from my office."*

In the Finance Section of this presentation, we noted that for each year's budget, the department head develops a request for funding. **The Board of Commissioners receives a copy of every piece of information received in these budget requests in their draft budget.** The budget workbook is reviewed by the Finance Officer and County Manager, and they meet with department heads as necessary to clarify any requests. Sometimes, the County Manager will request to meet with department heads for additional information or clarification. Many times, department heads themselves ask to meet to review and discuss their budget.

Each year in February, before we even begin budget preparations, the Board of Commissioners holds a 2-3 day budget work session. Department heads are notified of those dates, and if they desire, they can make a presentation to the full Board regarding their challenges and budgetary needs. And additionally, any department head can speak in the budget public hearing that is held, by law, prior to adoption of a County budget.

Subsequent to the budget adoption in 2021, the County Manager and some of the County commissioners did indeed meet with the Sheriff to consider his concerns, as evidenced in a followup email from the Manager to the Sheriff dated September 22, 2021.

During the preparation of the most recent FY 22-23 budget, the Sheriff did not request a budget meeting with the County Manager and Finance Officer nor to present at the Board's budget work session. Moreover, he did not speak during the budget public hearing to voice his concerns regarding employee compensation.



## A Clarifying Perspective

To address the Facebook comments offered by a deputy, with the exception of meetings held during the pandemic, our Board meetings have been and are open to the public (and the majority are streamed online). There may have been occasions when our meeting rooms were full and seating was not available, but entrance was not prohibited.

**Misperception: The County's budget does not respond to priorities.**

*Sheriff Thornton, quoted in The Daily Record and on social media: "The County Manager's budget has put us in a ditch that leaves citizens at risk."*

The Sheriff makes a good point in a Facebook response to Chairperson Sue Lee, stating "We do need to set priorities and spend tax money wisely." That is our prevailing budgeting philosophy. While the County Manager and staff prepare, present and recommend a proposed budget, the budget decisions are ultimately the Board's, not the County Manager's. As Board Chairperson Lee has eloquently noted, "As commissioners, we cannot be one dimensional in our budget-making process." The Board adopts budgets which endeavor to meet current and future needs, and account for external forces such as mandated services and inflation. The Board has noted their priorities do include diligent work on getting salaries where they need to be, but acknowledge that they must also consider the impact of any actions on the tax rate and the County's ability to attract business investment and jobs for our community.

The Board has demonstrated a willingness to work with staff to accomplish this balance. In fact, the previous pay study was implemented without a tax increase. To fund employee raises, there were difficult decisions made to cut departmental budgets, to adjust employee benefits, and thus reduce long term liabilities. That strategic planning and foresight was acknowledged and lauded by the North Carolina Local Government Commission and two of the leading bond rating companies, Standard and Poor and Moody's. The healthy and stable growth of our fund balance and our reserve accounts and the decreasing long-term liabilities lauded by the State and rating agencies allows us to refinance debt and saves the county millions. This type of prudent budgeting keeps us far from landing in a ditch.



## A Clarifying Perspective

Misperception: The County Manger is overpaid in comparison to other county mangers, other chief executive officers and the Governor of the State of North Carolina.

*In response to the Sheriff's multiple Facebook postings, the general public has questioned whether the County Manager's compensation is out of line with other county managers or public officials.*

The Sampson County Manager's salary is \$161,868, commensurate with or lower than the salaries of the Chief Executive Officers of the County's other public entities (hospital, community college, and school systems). His salary was established using the same market study method used for every salary in our job classification system. As you can see from the chart that follows, to dispute several social media postings, the salary is not one of the five highest in the state and is market appropriate for our population and total workforce, for someone with a Masters Degree in Economics, 12 years of experience as a County Manager, and 35 years of government management experience.



# County Manager Salaries-2021

County	Pop.	Tax Valuation	Salary	Travel Allowance	Yrs in Pos
Washington	12,000	86	95,000	Car Available	3
Jones	9,050	882,565,061	109,935	Annual Travel Allowance (	14
Duplin	58,505	4,628,707,585	112,614	Annual Travel Allowance (	4
Scotland	36,000	2,294,380,500	124,668	Annual Travel Allowance (	13
Greene	20,451	1,268,948,999	126,499	Annual Travel Allowance (	6
Bladen	29,465	2,589,920,828	128,444	Car Available,Annual Trave	25
Lenoir	55,908	4,124,000,000	134,611	Annual Travel Allowance (	2
Pender	63,060	7,712,252,949	141,339	Annual Travel Allowance (	2
Randolph	143,667	11,981,000,000	161,554	None	7
<b>Sampson</b>	<b>63,431</b>	<b>4,971,000,000</b>	<b>161,868</b>	<b>Annual Travel Allowance (</b>	<b>11</b>
Carteret	68,500	13,830,066,849	162,107	Annual Travel Allowance (	1
Wilson	81,801	6,512,164,486	162,816	Annual Travel Allowance (	7
Chatham	76,500	13,480,000,000	164,440	Annual Travel Allowance (	1
Harnett	139,256	1	164,511	Annual Travel Allowance (	6
Moore	100,880	13,124,165,216	170,000	Car Available,Annual Trave	8.6667
Rockingham	92,000	7,863,000,000	172,550	Car Available,Annual Trave	10
Beaufort	44,652	5,590,115,683	174,887	Annual Travel Allowance (	6
Brunswick	148,760	30,635,229,148	186,354	Car Available	2
Wayne	122,623	7,242,157,639	189,340	None	4
Lee	61,779	5,923,707,300	190,268	Annual Travel Allowance (	14
Robeson	134,811	7,360,637,890	205,279	Car Assigned:	2
Nash	94,970	7,984,000,000	206,462	Annual Travel Allowance (	7
Pitt	179,042	1	209,879	Annual Travel Allowance (	19
Onslow	196,830	13,730,379,389	214,200	Car Available,Annual Trave	2
Craven	102,139	10,010,000,000	220,090	Annual Travel Allowance (	11
Johnston			229,021	Annual Travel Allowance (	22
Cumberland	335,509		237,308	None	7
Wake	1,129,000	177,000,000,000	260,663	Annual Travel Allowance (	3
New Hanover	223,000	34,217,620,000	264,183	Annual Travel Allowance (	9.25



# List of Exhibits

**Exhibit A:** Email from County Manager to all employees regarding employee compensation

**Exhibit B:** Timeline of actions taken by Board regarding employee compensation

**Exhibit C:** Synopsis of actions taken by Administration at the request of the Sheriff (9/22/21)

**Exhibit D:** FY22-23 Budget Message (see specifically pages 2 and 6)

**Exhibit E:** The County Manager Memo to Board - A Historical Perspective on the Budget

**Exhibit F:** Letter to Commissioners from Sheriff Thornton, dated 8/5/22)

**Exhibit G:** Response to Sheriff's 8/5/22 letter from BOC Chair Sue Lee and Vice Chair Jerol Kivett

**Exhibit H:** Response from County Manager to request from The Daily Record

**Exhibit I:** July 28, 22 Email from County Manager to Board and Chair's response

# EXHIBIT A

## Susan Holder

---

**From:** Ed Causey  
**Sent:** Monday, September 20, 2021 11:03 AM  
**To:** SCG Gov  
**Cc:** Clark Wooten; Sue Lee; Jerol Kivett; Thaddeus Godwin; Lethia Lee  
**Subject:** Employee Compensation

Good morning, everyone.

Reasonable and appropriate employee compensation is always a priority consideration of the Sampson County Board Commissioners. They have worked methodically – especially since 2014 – to meet the challenge of establishing and maintaining a pay and classification plan that ensures we recruit and retain our quality employees. We believe it is important for all of you to be informed and fully understand the strategic work that has been done, including actions as recently as the Board’s meeting on September 13<sup>th</sup>.

We acknowledge that employee compensation has lagged behind the market for many of our positions for a number of years. In 2014, the Board of Commissioners authorized a full market study to evaluate all positions and associated salaries. The study reflected significant salary deficiencies, and we were provided recommendations for three possible avenues to make needed corrections. The Board of Commissioners, because of their commitment to the employees, boldly selected the recommendation that required the largest expenditure. The Administration staff was then tasked with designing and implementing a \$3,700,000 pay increase. This had to be accomplished while addressing another of the Board’s priorities: improving the County’s financial circumstances through economic development – the engine that drives our tax revenues and curbs our tax rate. In 2014, the County had (and continues to have) one of the higher property tax rates in the region. As the Board was not interested in raising taxes, the pay plan was ultimately implemented over a span of four years beginning in 2015 with approximately \$1,000,000 of salary increases per year. Employee benefits were also reviewed and adjusted during this time.

In addition to addressing our substantial salary deficit, the 2014 market study also recommended that we keep employee salaries current by providing regular cost of living adjustments. The study further recommended that we create the opportunity for all employees to advance to the midpoint of their pay grade within 10 years of attaining that grade. Unfortunately, because of the magnitude of the salary deficit (\$3,700,000), we have been unable to both eliminate the deficit and consistently attend to these last two recommendations. Since 2015 (and prior to July 2021) we have provided two small cost-of-living adjustments (COLAs) and one incremental increase to provide movement to salary midpoint.



Our efforts to mitigate our compensation challenges were further impeded by the 2020 (early pandemic) budget. Given the apprehension and many unknown variables of the economic climate at that time, we utilized a bare bones budget that was based off the previous year's budget. Nevertheless, the Board of Commissioners remained committed to avoiding any employee layoffs during a pandemic, even if we could not do salary increases. As the pandemic stretched into the Fall of 2020, the BOC remained committed to the overall budgetary consequences for the county. In addition, they were very empathetic to the stress and plight of county employees and emphasized the need to address those concerns as much as possible.

As our most recent Fiscal Year 2021/2022 budget was developed, we researched and determined the Consumer Price Index indicated that cost of living adjustments needed since 2015 amounted to 10.7%. We had provided 3.75% in total COLAs since the implementation of the pay plan; thus, we still had a deficit of 7%. For this most current fiscal year the Board approved a 5% COLA, and we further proposed a 2% bonus for all employees working for Sampson County as of 6-30-2021 to be paid from American Recovery Plan (ARP) funding once we have guidance to designate this as an eligible expenditure. Moreover, the goal is to make this 2% salary addition permanent in the 2022 budget. The commissioners are supportive of this concept. In addition, the current year budget included approximately \$518,000 of increases to help employees reach the midpoint of their pay grades. When everything is totaled, it is quite possible that many or most of our employees will have received in excess of 9% in salary gains by the end of the year. I am extremely appreciative of the BOC's commitment to the financial welfare of all employees.

At their September 13, 2021 meeting, the Board took two strategic actions that will directly influence Sampson County government employees. First, the commissioners approved a budget to pay a 2% bonus to employees by the end of the year from ARP funding, subject to the eligibility rules in the final ARP procedures. Second, the Board authorized staff to contract for a market study to further evaluate the salaries in our Public Safety Departments (i.e., Emergency Services, Sheriff and Detention Center). This effort will assist in further evaluating market conditions to ensure greater equity. More importantly, this market study approach sets forth a process by which we expect to further evaluate all other departments over the next several years.

We are proud of all our Sampson County employees and appreciate the efforts/direction of the Board of Commissioners to ensure that the needs of all employees are considered. If anyone wants to meet with me for an in person discussion of the above information, please do not hesitate to reach out.

# A Timeline of Actions

Despite conflicting information, the following timeline illustrates that the Board has made a concerted effort to improve employee compensation.

**JULY 2021**

The approved budget included a 5% raise for all employees.

**AUG 2021**

Sheriff advised of personnel challenges within the Detention Center.

**SEPT 2021**

All Detention Center employees receive a temporary 10% raise. Also, staff given authorization to prepare and RFP for a market study.

**OCT 2021**

Staff reports that a market study can be obtained. However, it cannot be initiated before July 2022 because of current demands for this service. Board approves the contract for obtaining a market study. In addition, they authorize staff to complete internal review to see what could be done in the interim.

**NOV 2021**

Board authorizes 2.1% bonus for all employees to be paid in December.

**DEC/JAN 2022**

Board authorizes an across-the-board pay increase for all employees, except Detention Center (who had previously received a temporary raise), to be effective January 2021. The Detention Center 10% temporary raise was made permanent. Board is showing great interest in employees as this action is outside normal budget process. Also, the motion approving this increase also required that no additional COLA or step increase would be made until the market study was completed. We are technically even with the COLAs at this point except for the year 2021. Unfortunately, the needed CPI for 2021 comes in about 7.1%. We also know that several other entities are gathering market data. The Board has clearly made a reasonable effort to deal with salaries and the fiscal impact of the pandemic. It was understood that this undertaking was limited in scope.



# A Timeline of Actions

FEB 21-MAY22

The budget process does begin. All departments prepared detailed budget requests. The Sheriff prepares detailed budget requests for both the Sheriff's Office and the Detention Center. There was NO written request in his submission to meet for further discussion. Many department heads do request to meet, and sometimes Administration makes the request. The Sheriff has reference the lack of meeting many times. We have record of his requesting to meet.

MAY 2022

The budget message is presented with a proposed 5% tax increase. There is no COLA or other pay raises included per the Board's resolution on the previous 5% pay raise. The market study is still proposed in the budget.

JUN 6, 2022

The public hearing on the budget is held. The market study is still a part of the proposal. However, there were no comments by anyone regarding the need for immediate pay raises or COLAs. This would have been the appropriate time to hear comments and give consideration. The Board has made it clear in recent years that they did not want to hear significant requests for budget increases outside of the normal budget process. Previous considerations were an exemplary effort by the Board to be sensitive to the needs of everyone.

JUN 2022

Budget work sessions were held, and during discussions, the 5% proposed tax increase was eliminated. Action on the market study was deferred. The Board was very sensitive to the impacts of inflation and supply chain issues. They were concerned about the average Sampson County citizen and the potential negative impacts of a tax increase. The media lauded this action.

Everyone recognizes and is concerned about the personnel challenges in the Sheriff's Department and elsewhere. However, it is hard to understand the vitriol that has developed between June and the present.



## EXHIBIT C

August 1, 2022 UPDATE

Assistance to the Sheriff's Department

1. May 2017, aligned salaries for recently hired employees who were brought in at greater salaries than long-time employees due to experience.
2. February 2018, reclassified Evidence Technician position back to Detective. This position was reclassified from Detective to Evidence Technician as requested in June 2016.
3. July 2019, reclassified all Detention Officers one pay grade as requested to address hiring challenges.
4. November 2019, converted vacant position to temporary clerical assistant to assist with ongoing payroll issues. Moved current employee \*\*\*\*\* and reclassified her position to be assistant reporting directly to the Sheriff and hired employee \*\*\*\*\* as temporary replacement.
5. December 2019, following November 22 meeting between County Manager and Sheriff, allocated \$50,000 to overtime for Detention only. Agreed to pay straight time for hours worked between 161 and 171 and O/T for time accrued after 171 hours. Monies will be strictly monitored.
6. April 2020, created First Sergeant positions for deputies in Detention to provide greater supervision per request.
7. June 2020, reclassified four positions to Sgt. to accommodate supervision issues.
8. July 2020, began paying Gap Time for all hours worked between 161 and 172 monthly.
9. August 2020, based on improved processing of payroll paperwork, the temporary position was made permanent and detention position reinstated.
10. October 2020, approved part-time certified position to assist with increase paperwork.
11. December 2020, County Manager met with Sheriff and agreed to budget increases to meet identified needs (see attached).
12. January 2021, reinstated officer who resigned in December without penalty to assist with shortage of certified officers.
13. Ongoing position adjustments from certified to non-certified (and back) to assist with staff shortages.
14. Positions adjusted to meet hiring challenges based on the applicants and not positions.

## Nancy Dillman

---

**From:** Ed Causey  
**Sent:** Monday, December 21, 2020 4:25 PM  
**To:** Marcus Smith  
**Cc:** Jimmy Thornton; David Clack; Nancy Dillman  
**Subject:** FW: Budget Requests for Remaining FY20/21 Budget  
**Attachments:** Marcus Smith.vcf; Budget Requests Update FY 20-21.docx

Good afternoon,

We are going to recommend as outlined below. However, please note changes could be made after the BOC review. Their review of other items could cause changes in specifics.

1. We will continue with overtime and paying for same from lapsed salaries. This is subject to a brief discussion with Ms. Dillman and me regarding monitoring.
2. \$6000 will be added to uniforms
3. Gas, oil, and tires will be increased by \$31,000.
4. Telephone and postage will be increased by \$2500.
5. Maintenance repair vehicles will be increased by \$20,000.
6. Contracted services will be increased by \$15,000
7. The software upgrade will be done in the 2021 budget.
8. the \$28,000 for the Watch guard camera server will be included.
9. We are proposing to purchase the radios and pay for them over two years.
10. We will propose to add the requested position in the 2021/2022 budget.
11. Overtime for detention- same as number 1 above
12. Maintenance repair building and grounds-was not increased
13. Uniforms-will increase same by \$2000
14. Food and provisions-no change

We will discuss further as needed after the January BOC meeting

Ed



*Edwin W. Causey, County Manager*

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Clinton, North Carolina 28328

Tel: 910/592-6308 (extension 2270)

Email: [ecausey@sampsonnc.com](mailto:ecausey@sampsonnc.com)

Web: [www.sampsonnc.com](http://www.sampsonnc.com)

Find us on Facebook! <https://www.facebook.com/sampsoncounty/>

Follow us on Twitter: [@CountyofSampson](https://twitter.com/CountyofSampson)

## EXHIBIT D



TO: Board of Commissioners

FROM: Ed Causey, County Manager

DATE: May 23, 2022

RE: Budget Message - Proposed Budget FY 2022-2023

*The NC Local Government Budget and Fiscal Control Act (NCGS Chapter 159) prescribes that the County Manager (acting as budget officer) shall prepare and submit for consideration by the Board of Commissioners an annual budget and capital program. Such budget is submitted in whatever form or detail the Board may specify and should contain a concise explanation of the governmental goals fixed by the budget for the budget year, should explain important features of the activities anticipated in the budget, should set forth the reasons for stated changes from the previous year in program goals, programs, and appropriation levels, and should explain any major changes in fiscal policy. In accordance with law, I respectfully submit this budget message and recommended budget for Board consideration.*

### INTRODUCTION

This was the introduction to the 2012 budget message:

*“This is the most important budget that will be presented during my tenure as County Manager. This year, as in every year, there are two ways we may approach our budgeting process. Our first option is to continue making decisions based solely on current needs, with the assumption that economic conditions will improve on their own. Our second option is to consider a budget which not only addresses our current needs but also produces a fiscal framework within which we can consider and tackle the long-term needs of the County. I have stated numerous times over the last year that I am much more concerned about future budgets (ten years out and beyond) than I am the current budget. If we choose to simply make decisions regarding the current period without taking a longer-term view, our budgeting process is simple, and we can move through the process easily. However, electing to build a framework upon which long-term decisions can be made still gives you the flexibility to adjust as we move forward. More importantly, it adds to cost efficiencies to the decisions that are made in the short-term....”*

Fortunately, the BOC chose to begin building the framework to cover the long-term needs. A good effort was made to begin building the reserves needed to maintain the physical infrastructure for both the county and schools. Similarly, a significant effort was made to improve the salaries for our human infrastructure, and a four-year implementation plan was adopted. (Unfortunately, this plan was behind by the time the implementation period was completed.) Sampson County government has continued to work diligently to support our



county by improving conditions for our workforce, despite the challenges of high inflation and supply chain that everyone has experienced during the past year. Given these bold initiatives and significant accomplishments (and others as outlined below), we found ourselves starting this year's budget development process with fixed increased expenditures of \$2,409,290 over last year's budget but increased revenues of only \$2,432,844. (Please see the attached Exhibit A.) This does not include the increased operating costs due to inflation and supply chain challenges. Thus, we are requesting a tax increase of 5 cents.

Please note that we have already reduced departmental requests by approximately \$6,898,792. We do not believe that we can further significantly reduce projected costs without adversely affecting programs. We do recognize that there are several items that could be deferred. However, we do not recommend this consideration for the following reasons:

1. Some of our required budget increases are being expended now. Thus, it is most likely that our general fund balance will reflect a decrease at the end of the year.
2. We do not believe that inflation will be controlled during the next year. This will continue to affect the price of goods and services.
3. Supply chain issues continue to exist and may increase. These will also continue to affect the price of goods purchased.
4. We still have a challenge with employee compensation. The CPI will necessitate additional cost-of-living adjustments moving forward, regardless of any pay study.
5. If we choose to defer capital reserve deposits, we will revisit the challenges of pent up needs the county has struggled with for many years and has not completely resolved, and will further exacerbate our cash flow challenges moving forward.
6. We continue to be concerned about continued inept federal government fiscal policies.
7. With a declining population, it is unlikely that we will receive continued significant increases in sales tax.

## **SIGNIFICANT ACCOMPLISHMENTS OF FY 2021-22**

### **1. Salary Adjustments**

The Board of Commissioners has approved the following salary increases during the current budget year:

- a. All employees received a 5% COLA as of July 1, 2021.
- b. The BOC approved an additional \$675,000 to assist in increasing salaries to midpoint during the year.
- c. In October, the BOC approved an additional 10% temporary raise for detention officers. Please also note that the detention officers were also advanced one pay grade in the 2019 budget.

- d. The BOC also directed staff to complete a very limited market review of employee salaries. Based on this review, an additional 5% increase was approved for all employees beginning in January, 2022. (This did not include the detention officers as their temporary raise mentioned above was made permanent.)
- e. The BOC also approved a 2.1% bonus to be paid in December 2021 for all employees employed as of 6-30-2021.
- f. The BOC also authorized a complete market study to begin in July 2022 to review current salaries and offer and recommend any adjustments or additional increases.

*To summarize:*

- a. *All employees have received a least a 12.1% increase in salary during the year.*
- b. *Detention officers have received a minimum raise of 17.1% raise DURING THIS SAME PERIOD.*
- c. *The percentage of increase for many employees is even greater when the \$675,000 mentioned above is factored in.*

## **2. ARP Funding**

Sampson County has been approved to receive \$12,340,000 in ARP funding. The BOC has allocated this funding as follows:

- a. \$8,000,000 in water system improvements
- b. \$2,000,000 for broadband improvements
- c. \$2,340,000 for contingency

## **3. Infrastructure Funding**

Sampson County has also received the following additional monies for improving our infrastructure:

- a. \$1,717,000 for water system improvements
- b. \$3,500,000 for the new Emergency Services building
- c. \$2,000,000 for emergency services storage
- d. \$1,000,000 for storage for the Sheriff's Department
- e. \$1,100,000 primarily for the benefit of our fire and rescue services and countywide communications
- f. \$9,000,000 for additional water system improvements

## **BUDGET HIGHLIGHTS**

1. **Audit/Fund Balance** The audit for the fiscal year ending June 30, 2021 indicated that the General Fund had grown by \$3,020,817. Total net position increased by \$7,725,958.

2. **Tax Rate** The tax rate for last year was set at \$.825. There has been continued diligence in the collection of property taxes. The net tax evaluation was \$5,092,759,879. We are projecting a 97% collection rate for this proposed budget.
3. **Emergency Services Facilities Construction** Sampson County has been working for years to build a new Emergency Services building, and the construction of our new facilities finally began in April 2021. The total development cost of the new facilities is budgeted at approximately \$18,400,000. The County was able to obtain an additional State grant of \$3,500,000 in addition to the \$9,979,453 already obligated. This means that this project has now obtained 73% of its cost in the form of grants. In addition, we have secured \$2,000,000 from the State to build storage facilities at the rear of the current construction site. This planned building will also be constructed to include the \$1,000,000 of storage that we were able to procure for the Sheriff's Department.
4. **Economic Development** Economic development continues to be a high priority in Sampson County. Garland Apparel Group started operations at the former Brooks Brothers' facility in Garland in early Fall. The company has expanded its product lines from only shirts to include men's suits. Garland Apparel Group received a \$75,000 Revolving Loan from the County and a \$250,000 Building Reuse Grant from NC Commerce. Today, the company has 70 employees and is planning to double that number over the next year. Montauk Ag Renewables, a public company, has expanded to Turkey, NC, locating in the former Bay Valley facility. The two companies, once fully operational, are projected to add over \$150 million to the county's tax base and offer over 250 jobs. The County has continued to invest in existing companies, granting over \$500,000 in tax back incentives, based on the 2021 tax year.

County leaders have invested considerably in land acquisitions for non-residential development. The County currently has an option agreement for \$2,000,000 to purchase 210 acres off I-40 in Newton Grove, and we are currently doing due diligence regarding this property. The County has also received a \$262,000 grant from the Southeast Partnership to assist with product development.

5. **Public Water System** The customer base for our water system now stands at 6386, with 196 of those services added since July, 2021. Two hundred ninety-three manual read meters have been converted to the new radio read technology. The previously listed federal and state grant funding will enhance our opportunity to expand water services to unserved areas. The Oak Grove Church Road project needed for the Johnson County Interconnection Phase 2 should be completed by the end of September 2022. The I-40 /NC 403 well project is still in construction. The Iron and Manganese Treatment System project is scheduled to be completed by late January 2023. Additional applications for funding have been submitted for a Keener supply well and several water main extensions. We have just recently submitted a grant application for the underserved Ivanhoe Community.
6. **Environmental Health** Environmental Health has certainly had its personnel challenges during the last several years. These challenges were caused by several retirements and several staff



members choosing to pursue opportunities elsewhere. At one time, we only had one experienced staff member out of 7 positions. We now have filled all but one permanent position. In order to ensure continued improvement in our customer service, the BOC authorized one additional intern position at the February Planning Conference. This gives us a total of 8 positions in Environmental Health.

## BUDGET DRIVERS

1. **Sales Tax** We are projecting an increase in sales tax revenue of \$1,000,000.
2. **Property Tax Revenues** Property tax collections are expected to increase by \$2,640,500 (including the recommended 5-cent tax increase). We are projecting a collection rate of 97%. The Tax Office staff continues to do a good job of servicing our tax base.
3. **Fund Balance Appropriated** We are appropriating approximately \$1,943,328 to balance the budget, but we anticipate that lapsed salaries and benefits will negate the need to spend a significant amount of this appropriation.
4. **Lawsuit** We have included \$100,000 to defend against the lawsuit filed by 34 current and former Sheriff's Department employees.
5. **COLAs and Market Study** *The BOC approved an additional 5% pay increase for all employees to take effect this past January. At the same time, the board voted to not consider another COLA or pay increase until after the market study slated to begin in July 2022 is completed. This action was taken before a potential 5-cent tax increase was proposed. Likewise, if the BOC has concerns about the cost of full implementation of the proposed market study, it is recommended that this planned study be delayed for one year.* When we recommended the 2.1% bonus payment to be paid last year, this bonus would have put us even with inflation through 2020. Our initial goal was to include a 2.1% COLA in this year's budget to have us even with cost-of-living increases with the exception of the 2021 CPI. The BOC did approve a 5% pay raise as previously referenced in January 2022. Technically, we were nearly 3% ahead until the CPI of 7.5% was determined for 2021. (Based on CPIs, we are now about 4.5% behind.)
6. **Health Insurance** The County's portion of the increased cost of health insurance will amount to approximately \$250,000 for the year. This equates to \$40.00 per month per employee. Since 2019, the County's share of employee health insurance has risen from \$734 per month to the current \$885 per month per employee. This is nearly \$1,000,000 of increased cost to the county in 5 years.

We had previously advised employees that their health insurance cost will be increasing by 20% in August. Effective with the August 1, 2022 benefits renewal, Sampson County will offer a new health plan (base plan) with no change to premiums. This plan has higher deductibles, out of pocket limits, and copays. This plan is modeled after the NC State Health

Plan. All employees will be enrolled in this plan. They will then have the option to buy up to the current plan for which they are currently enrolled. There will be mandatory open enrollment meetings in June with all employees to discuss their options in detail as well as costs.

- 7. Capital Outlay Funding for Public Schools** The City School System has requested \$485,000 in capital outlay funding, and the County School System has requested \$2,430,000. We are projecting \$1,425,000 to be available from the annual sales tax received and designated for school capital outlay projects. Therefore, the projection for the City Schools will be \$385,090 and the County Schools will be \$1,039,110.
- 8. Current Expense Funding for Public Schools** The County School System has requested an additional \$438,261 for current annual operating expenses, and the City School System has requested an additional \$294,516 for current annual operating expenses. We are required to fund both school systems at the same per student rate. Using our basic budgeting technique of ensuring proportional funding for the operational expenses based on county general revenues, we are projecting available funding in the amount of \$516,345. We are proposing to increase funding to the County Schools by \$383,969 and the City Schools by \$132,376.
- 9. Sampson Community College** We have increased the operational funding for the Community College by \$81,025. We are projecting a 5% increase in operational expenditures which is similar to the increase for the public school systems. In addition, we are proposing \$250,000 for capital outlay (as proposed in the 2016 budget for the following 10-year period).
- 10. Contingency** We have budgeted \$380,910 for contingency. There are several potential items that could be requested from Contingency as they have not been budgeted. First, funding for an additional primary if needed will come from this line item. Second, one of our priorities for Environmental Health and Inspections (that was not met this year) is to ensure that we have quality software that is both customer friendly and enhances the efficiency and productivity of both operations. We have had delays with pursuing this item because of the pandemic and the stabilization of staff. This item continues to be a priority.
- 11. Detention Center and Sheriff's Department** Operating expenses for the Detention Center and Sheriff's Department are \$4,885,805 and \$9,506,848, respectively. The total budget for the Sheriff's Department including detention is \$14,392,653. The combined proposed expenditures for the Department have increased \$894,333 over the last year. They do have projected revenues of \$3,330,780. Last year, we reported that their total expenditures had increased 62% over the last 10 years. We applaud the department for their willingness to enter into a contract to house federal prisoners. Unfortunately, we are projecting \$336,891 less in the proposed federal contract than last year. All departments should be very proud of their efforts and accomplishments in generating revenue. **Relative to the net cost of operating the Detention Center and Sheriff's Office, the net tax support to operate their operations (operating expenses less revenues) is \$11,061,873.** This total amount of tax support increases significantly when the debt service for their building is included. This is more tax support than received by any other department and

each of the school systems, including the community college. The citizens of Sampson County can be very proud of law enforcement and the County's exceptional effort to support them. Looking back, I am also very proud of the County's and USDA efforts to previously provide \$9,500,000 of funding for their new facility. USDA also provided an additional \$1,500,000 of funding to provide an extra pod to plan for growth and the possibility to garner additional revenue by housing out of county prisoners. This strategy, dating back more than 15 years, to generate revenue to reduce tax support was most insightful. This year, County administration initiated the request to the State for an additional \$1,000,000 for storage. Our goal is to assist all departments and funding partners. It is anticipated that this facility will be online sometime during the next year. As a sidenote, there are only two departments (our Public Water system and Transportation) that operate without tax support.

12. **Department of Social Services** We are projecting an increase in DSS operational costs of \$450,000. Much of this cost can be attributed to personnel. The original budget reflected an increase of \$1,500,000; however, the interim director has worked closely with staff to reduce this increase. However, DSS continues to face challenges with the needs for several programs. For example, we have a number of challenges with the number of children in foster care. These numbers have increased as well as the availability of care for those children with special needs. This is an area that will need to be monitored very closely. Some of these challenges will create budget needs that cannot be clearly identified and completely controlled. This budget does include two vehicles.
13. **Health Department** The budget for the Health Department increased by \$178,000. Most of this can be attributed to salaries. Their budget does include 2 vehicles.
14. **Cooperative Extension/Beaver Management** The Cooperative Extension budget has increased by \$77,773. Of the Extension budget, \$78,000 is allocated for beaver management. This line item has increased significantly over the last two years due to the continued challenges beavers are presenting for our rural communities. We are including \$6,000 to participate in the State program, and \$72,000 is included for one full time contracted position.
15. **Rescue** The projected Rescue budget is \$7,164,952. This budget includes the three new ambulances and 6 additional paramedics that were approved last fall. The budget also includes an Assistant EMS Operations Chief.
16. **Fire Departments** Three fire departments have requested increases in their fire tax. The Fire Commission has recommended increases for Plainview and Faison. They did not recommend an increase for the Garland Fire Department. We recommend that the Board of Commissioners adopt the recommendations of the Fire Commission.
17. **Communications** The communications budget is \$1,464,076. This includes 4 new telecommunications positions to begin in January, 2023.



- 18. Aging** The General fund contribution to Aging has increased by \$100,000.
- 19. Exposition Center** The General Fund contribution to the Expo Center is \$426,124.
- 20. Revaluation** We are budgeting \$122,000 toward the next revaluation.
- 21. Special Appropriations** In recent years, we have limited our consideration of new initiatives. We are recommending an allocation of \$60,000 for the Sampson County History Museum, \$6,888 as the local match for the Mid Carolina RPO, and \$300 for travel for the mandated CAC committees. These are requests that have been annually funded for a number of years. We did receive four additional requests that are not recommended.
- 22. Debt Service-Vehicles** In the recommended budget, we are proposing to replace 16 Sheriff's vehicles, two ambulances, one truck for Inspections, and one QRV for EMS. All vehicle requests in the Sheriff's Department budget have been changed to cars.
- 23. Retirement System Contributions** The County's contribution for our share of the regular employees' retirement system will increase, going from 11.4% for all employees except law enforcement to 12.14%; the rate for law enforcement will rise to 13.04% from 12.04%. The County is part of the Local Government Retirement System. The rates that we pay on employees' gross salaries are set annually by the State.
- 24. Elections.** The Elections budget has increased by \$2,518. This does not include the cost of a second primary election. If needed, these funds will come from Contingency.
- 25. Capital Reserve** We are budgeting our annual set-aside of \$450,000 for capital reserve.
- 26. Personnel** The number of permanent employees at the time of last year's budget message was 553. During the year, the BOC added 6 paramedics and one intern for Environmental Health (now 560). We have received requests to add the following positions: one part time position for DSS converted to fulltime, one juvenile officer for the Sheriff's Office, two deputies, four telecommunicators, one training officer for telecommunications, one assistant EMS chief, and one training officer for EMS. We propose to add the following positions:
- Convert the part time DSS employee to fulltime
  - One juvenile officer for the Sheriff's Department
  - Four telecommunicators to be employed as of January, 2023
  - One Assistant EMS Chief
- If all positions are approved, we will have 567 fulltime employees at the end of the year.
- 27. Solid Waste** The increase in solid waste is projected to be \$162,625. This cost is a result of the cost of inflation being passed on per the contract.

**28. GIS** We are proposing to continue the contract for additional GIS services in the amount of \$90,000.00. GIS is an area that will receive increased emphasis as we move forward. We had planned to recommend the hiring of one GIS person. Unfortunately, budget constraints have prevented us from moving forward with this request. However, GIS needs are an important priority moving forward.

**29. IT Audit** The IT audit planned for last year is included in this year's budget.

## **SUMMARY**

At the March Economic Development Breakfast event, economist Dr. Michael Walden shared with us that inflation for 2021 was 7.5%. He went on to explain that the money supply had increased 85% during the two years of COVID. Thus, we have too much money chasing too few goods. The first few months of this year suggest that the annual rate of inflation projected to an annual percentage will likely be higher than the 7.5%. Supply chain issues have occurred to some extent over the last two years. However, these issues have been exacerbated by the money supply. It does appear that some improvement is occurring in the supply chain. However, it will take some period of time to work out all of the kinks.

Dr. Walden also pointed out that the population of North Carolina is projected to be 13,000,000 people by 2050. Because Sampson County is strategically located between the Triangle and Wilmington, we continue to believe that the future for Sampson County is bright regardless of the bumps in the road caused by the pandemic. Likewise, we continue to believe that the investment and attention to economic development is as important now as it was in the days before the pandemic.

As you begin to evaluate the information herein, please note that education represents 30.81% of the County's tax support. Public safety represents 29.82%, general government represents 14.27%, and human services represent 13.48% of the County's tax support. If the Board chooses to redefine government by reducing services, it will be challenging to accomplish without closely reviewing the larger departments/groups receiving significant tax support.

We understand that everyone prefers not to have a tax increase. Heretofore, we could make some positive assumptions regarding circumstances in the short term. We cannot do this this year under current circumstances. We also note that the general fund will likely reflect a decline this year because of needed additional expenditures that were approved during the budget year. . We also recognize that inflation and supply chain issues will continue to have an impact that cannot be completely and accurately estimated. Therefore, we sincerely and professionally believe that the proposed 5-cent tax increase is the appropriate action for the long-term fiscal health of Sampson County and our many important programs and partners.

I am delighted to work in a county where the Board of Commissioners places high value on all departments and employees. The end result is a higher quality of overall services for all citizens in the county.

## EXHIBIT E

NORTH CAROLINA'S  
**SAMPSON COUNTY**  
OFFICE of the COUNTY MANAGER

**TO:** Sampson County Board of Commissioners

**FROM:** Edwin W. Causey, County Manager

**DATE:** May 23, 2022

**RE:** A Historical Perspective Regarding the Budget

I offer the following as a supplement to the information found in this year's Budget Message.

While I have worked for the County as County Manager since May of 2010, my first exposure to Sampson County government actually came in the late 90s. I offer these thoughts as an individual who has viewed the County and its economic stability as both an outside party and as your employed manager.

The first public building project that I worked on for Sampson County, representing USDA at the time, was an approximately \$2,000,000 renovation loan (possibly a \$100,000 grant as well) for the Sampson County Courthouse. There was significant interest expressed in school funding needs at his time, but USDA did not have those kinds of financial resources (our available budget statewide was about \$40,000,000). We did begin to have broad discussions about building improvements for other County departments and began by visiting and evaluating existing facilities. I recall the county's cash position at the time was satisfactory. Unfortunately, however, the pent-up needs for massive improvements to a variety of buildings was astounding. There was no easy fix, and a major rehabilitation plan was needed to address needs such as these:

1. Public Works was located on one end of the old County Home. This building was in such disrepair that you could open some interior doors and see the ground.
2. Cooperative Extension was also in this building, and their facilities were similarly undesirable.
3. Head Start was located in the upstairs of this building, up a narrow staircase with limited ADA access.
4. DSS was housed in multiple locations, including what is now the Aging and Recreation building. Walking through their cramped halls was claustrophobic, with hanging file storage shelving lining the top of each hallway.
5. The Animal Shelter was also in dire need of attention.

We can compare this situation to a family that has \$50,000 in the bank and living in a dwelling that is in need of \$100,000 in repairs. They have a negative net worth. Similarly, the county's true financial



position was more dire than what it seemed. In response, USDA made a number of low interest loans over the next several years to address a variety of issues. Some of these loans included:

1. Purchase of existing warehouse and revamp for Public Works
2. A new Animal Shelter
3. A new Cooperative Extension building
4. A new Human Services Building (DSS and Health) - \$8 million
5. A new Sheriff's Office and Detention Center - \$11 million
6. A new County Auditorium and other remodeling activities for the Rowan Road Complex campus

I am guessing that these improvements totaled about \$25 million dollars. I also developed a good working relationship with the BOC during this period, and as time progressed, we continued to discuss substantive school needs. It appeared there were still pent-up needs that needed to be addressed, but ultimately, the county determined that they would spend \$110 million dollars on schools, including approximately \$4.5 million dollars for the Community College. This loan obligation for the community college was later rescinded. The \$110 million in USDA and COPS financing funded three new high schools and later the elementary school at Roseboro.

At one time, USDA had invested more money in Sampson County than any other county in the United States - over \$100 million. Please note that we lobbied hard for the USDA financing. USDA ultimately committed a little over \$50,000,000 for schools along with COPS funding of a little over \$50,000,000. My support was based on seeing five BOC members raise their hand and agree to commit to adding as much as 30 cents to the tax rate to cover the debt obligations. I was extremely impressed with this commitment. Unfortunately, the commitment as I understood it was never completely fulfilled.

The 30 cents needed for the tax increase was reduced to 21 cents because of lottery money that was coming into play during this time. Of the 21 cents that was needed, only about 15 cents was actually passed and undertaken. This did not include the additional operational funds for the schools that were not included (a six cents shortage).

It is also helpful to note that during the negotiations with the schools during the funding process, Mr. Doug Carter, the county's financial adviser, pointed out that inadequate funding for school operations had been projected. I sat in the room with both school boards, the community college board and the BOC when Mr. Carter was making this point. When I then came in as County Manager in May of 2010, it did not take long to recognize that we had a cash flow problem in that there were no funds in reserve for capital improvements or other repairs, including the County's obligations for maintaining school facilities (whose value is estimated at nearly \$500,000,000). In the early years of my County tenure, I regularly debated with then County Schools Superintendent Ethan Linker regarding their needs for school roofs. No matter what we did, there was always another school roof to be replaced. Had the 6 or 7 cents of additional taxes been added, our challenges at the time and probably now would have been much different.

A property tax reevaluation was completed in 2011 without a tax increase; however, the revenue neutral rate effectively provided the budget an additional 2.5 cents. This was a big help, but not large

enough to cover needed reserves and employee salaries. A previous employee market study was never fully implemented.

Later, when I delivered the 2012 budget message on May 7, 2012, the message stated that it was and would be the most important budget message of my tenure. One of the options presented was to prepare budgets that both met the current circumstances and created a fiscal framework that prepared the County for the future. This is when we began talking about capital reserves for long term maintenance, maintenance of our human infrastructure, and alternate revenue sources. I believe that we started funding these reserves in 2013.

In 2013, we provided information that reflected the debt being paid was the equivalent of 20 cents of the tax rate, illustrating the source of our significant tax rate.

In 2014, we proposed a 9-cent increase in the tax rate, and a 4.5 cent increase was approved. We did get approval for a pay study that was received in 2015. We were fortunate that we could fully implement same; however, because that had to be accomplished over four-year implementation period, we still found ourselves behind the curve relative to salaries, including cost-of-living and step increases.

In 2017, we did receive the benefit of adding an industry that added \$120,000,000 to our tax base. This addition is significant and served to renew our appreciation for the impact industrial development has on our economic stability and stimulate an aggressive pursuit of economic development in the ensuing years. Significant investment has been made, a good return and many benefits will be yielded. Unfortunately, we cannot predict exactly when the returns will come. It is safe to say that if we had not had the industrial site at I40/Faison, this company may not have come to Sampson County. Moreover, current budget challenges may prove just how important this industry is to Sampson County.

My current budget recommendations are shaped by this historical perspective and my experienced-based concern that we do not need to retreat back to the County's position of 20 years ago with overwhelming pent-up needs that degrade our actual financial position. Pent up needs include both the physical and human infrastructure.

As we consider the proposed budget for FY 22-23, we have a revenue shortage. We need to increase revenue by approximately \$2,500,000. We do not believe that this can be done by only reductions/deferments in operations. You could decide to redefine government. This is certainly an option.

In summary,

1. We understand that no one wants a tax increase. As noted in the historical perspective offered above, the 20 cents attributed to our debt obligations causes the tax rate to be as high as it is.
2. You can derive a budget that does not include a tax increase. This will likely entail deferring some expenditures and drawing further from the general fund. This is not recommended if we seek to avoid history repeating itself.

3. If you get by this year without a tax increase, it is unlikely that you can get by next year without one. This is especially true if you move forward with the market study. The current stress on the general fund, inflation, supply chain issues, and maintaining our physical and human infrastructure will likely be further exacerbated by the concerns expressed herein.
4. The only other real option is to redefine county government and the services that are provided.





# OFFICE OF THE SHERIFF

County of Sampson, NC

112 Fontana Street, Clinton, NC 28328

**SHERIFF JIMMY THORNTON**

## **EXHIBIT F**



August 5, 2022

Office of the Board of Commissioners  
406 County Complex Rd.  
Clinton, NC 28328

RE: Sheriff's Office Salaries

Dear Commissioners:

The Sheriff's Office has severe problems: We have 16 deputies, patrolmen, and guards who have left, who we have not been able to replace. Here's an example of what that means: Right now, we only have six deputies on patrol at night when we need at least eight. With vacancies, training, vacation, this often leaves us with as few as four deputies patrolling the county.

Recently, a deputy, Caitlin Emanuel, was wounded while pursuing a felon who'd stolen a car. Another deputy was in a shootout with a criminal. A deputy's patrol car was riddled with bullets while sitting in the driveway at his home. And deputies, and guards at the jail, have been assaulted.

To replace the sixteen lost deputies and guards I need the Commissioners' cooperation. As I've pointed out, other counties and towns, such as the City of Clinton, pay deputies and policemen more than Sampson County.

Back in December 2020, I proposed – to the County Manager – a plan to hold federal prisoners in our jail for a fee. That fee would have provided the Sheriff's Office with the money it needed to pay deputies and guards' competitive salaries at no cost to taxpayers.

The US Marshall's Service agreed. But, for months, the County Manager did not agree. I ran into a bureaucratic stonewall. And, when the County Manager finally did agree, he changed my plan. Problems were not solved.

In past years, I've met with the County Manager to explain the Sheriff's Office needs and budget. That did not happen this year or last year. The County Manager did the Sheriff's Office budget with little input from my office. He also spent part of the income received for holding federal prisoners to pay bills that are unrelated to law enforcement. Now with inflation and other counties/cities raising salaries to price to stay competitive has increased.

To replace lost deputies and guards the Sheriff's Office needs to be able to pay competitive salaries – I am asking the County Commissioners to instruct the County Manager to allocate all the fees brought in

by holding federal prisoners to the Sheriff's Office, in addition to the current budget. And then allow the Sheriff's Office to adjust salaries as needed, officer by officer. These federal fees will cover all of the salary increases and standard benefits.

We have major law enforcement problems. I need your help to fix them.

Sincerely,

A handwritten signature in black ink that reads "Jimmy Thornton". The signature is written in a cursive style with a large, prominent initial "J".

Jimmy Thornton  
Sheriff

cc:

files

## EXHIBIT G

NORTH CAROLINA'S  
**SAMPSON COUNTY**  
OFFICE OF THE BOARD OF COMMISSIONERS

August 9, 2022

Sheriff James L. Thornton  
Sampson County Sheriff  
112 Fontana Street  
Clinton, NC 28328

Dear Sheriff Thornton:

Your letter of August 5, 2022 has been received. We appreciate your advising of current challenges. We acknowledge and agree that you have outlined some significant challenges. These challenges do need to be evaluated along with a number of other county concerns that also need consideration. Regarding Ms. Catlin Emanuel, the entire Board offers our sincere hope for a full recovery. We encourage you to do everything possible to support this upstanding officer during her time of recovery. We will be carefully evaluating your concerns in the coming weeks.

We recognize and understand that these are stressful and emotional times for you. Likewise, you should be given the benefit of the doubt. However, you have made several points that need to be further clarified or put into context. In the spirit of trying to achieve a better mutual understanding, we would like to offer you the following:

1. Your letter seems to infer that you have not had the commissioners' cooperation. Without considering debt service, the total planned tax support to operate both the Detention Center and Sheriff's Office is more than \$11,000,000. This is more tax support than received by any other department and each of the school systems. This net tax support received is after allowing for all other revenues received by you including the federal contract.
2. You may want to consider what has been done for your employees over the last year. First, all employees received a 5% cost of living increase in July, 2021. The Detention Center employees received an additional 10% temporary increase in the Fall of 2021. All employees employed as of 6-30-2021 received a 2.1% bonus in December. In January, all employees (except Detention) received an additional 5% increase. The temporary raises for Detention were made permanent. We were in fairly good shape regarding salaries at this point and you were in agreement; however, during budget review and deliberations, the commissioners carefully considered the financial impacts facing all Sampson County citizens because of inflation and Covid and decided not to increase taxes in July. Unfortunately, but by necessity, this impacted our departments. This certainly does not mean that we have lost interest in the well-being of our employees. However, we do empathize with all citizens in Sampson County.

406 COUNTY COMPLEX ROAD, BLDG C ■ CLINTON, NORTH CAROLINA 28328  
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3. All revenues received by any department are revenues of the county. Departments that do a really good job with revenues are very much appreciated, and we try to assist them as much as possible with maximizing revenues. We do point out that the actual federal revenues were less than projected. As you recall, when the facility was built, we understood that an additional pod was built with the hope that same could assist the county with additional revenue.
4. We do not recall that you ran into a "bureaucratic stonewall." You submitted a proposed contract with recommendations (quid pro quo), and we understood your position to be that the recommendations were to be met in their entirety or you would not agree to the contract. We could not agree to the contract. You did later move forward with an interim contract and later the full contract.
5. You provided a detailed budget that requested a 29% increase in which we were not able to provide due to lack of revenue. You should be commended for the thoroughness of the submission. The recommended budget with a 6% increase was derived from the information you submitted.

We certainly want to both understand and assist all departments with challenges that impact their operations. We will be asking staff to provide information on a variety of topics. Your challenges are important to all of us. With an overall budget of more than \$14,000,000, we hope that you can utilize existing resources to assist with effective operations until all challenges are understood.

Sincerely,



Sue L. Lee, Chairperson  
Sampson County Board of Commissioners



R. Jerol Kivett, Vice Chairman  
Sampson County Board of Commissioners

Cc: Board of Commissioners  
Edwin W. Causey, County Manager

## Susan Holder

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**From:** Ed Causey  
**Sent:** Wednesday, August 17, 2022 4:49 PM  
**To:** rjordan@mydailyrecord.com  
**Cc:** Sue Lee; Jerol Kivett; Clark Wooten; Thaddeus Godwin; Lethia Lee; Joel Starling; Susan Holder; Nancy Dillman; David Clack  
**Subject:** FW: Questions regarding Sampson Sheriff's Office

## EXHIBIT H

Good afternoon,

Our Public information officer is not in place this week. However, I will endeavor to offer a response. The issues referenced are important. I hope you have time to thoroughly review and offer the reading public relevant information that provides the complete context needed for understanding.

1. The commissioners and I fully support all county departments including the sheriff's department . (Including detention) We all value and are appreciative of law enforcement and the sacrifices that they make to ensure the safety of the public. We recognize that law enforcement agencies throughout North Carolina and the nation at large are currently experiencing issues with staffing shortages and retention of employees. As a county manager, I am charged with the responsibility of reviewing all budgets. Budgetary constraints often prevent our recommending all proposed budget requests. This certainly does not mean, nor should anyone conclude that we do not value and support all departments. I will continue to welcome the opportunity to discuss budgetary concerns/challenges in a constructive manner with any department including the sheriff's department .
2. To fully understand the current concerns , you may wish to review the 5-23-2022 budget message online . Item 6 on pages 6 and 7 may help everyone understand the context of how the Board of Commissioners have diligently worked to support the sheriff over the years.
3. In July 2021, the BOC approved an across the board 5% pay increase for all employees. In the fall of 2021, the BOC approved a 10% increase for the Sheriff's detention officers. All employees received a 2.1 % bonus in late fall of 2021. During this time, we discussed obtaining a full market study to correct all salary discrepancies. The study was initially approved. Unfortunately, we could not contract with anyone to begin before July 2022 due to the fact local governments across our state were (and are) facing similar issues with employee compensation and are also seeking the completion of market studies. Because of the delay in obtaining the market study, the BOC agreed to an additional 5%

increase for all employees in January 2022. The temporary raise for detention was made permanent. The motion approving the market study also required that no additional COLAs or pay adjustment be considered before the market study was completed. In the January 2022 timeframe, it appeared that Sampson County was making good progress relative to all salaries. ( When compared to its neighbors) Regrettably for us, many other counties and municipalities began in the spring of 2022 making salary adjustments for employees. Much of the current concerns have been exacerbated by recent increases by many other governmental units.

In approving the budget for the 2022/2023 calendar year, the BOC was very concerned about the potential of raising taxes on a rural county with a high tax rate and the knowledge that many citizens were financially strained because of inflation and the pandemic. As a result, no tax increase was approved. Please also note that we projected only a small increase in the tax base. The BOC also chose to not fund the previously mentioned market study referenced herein.

4. Regarding the Federal contract , we sincerely applaud the efforts of the sheriff's department to increase revenue. Unfortunately, when the original contract was presented, the sheriff offered a specific proposal that indicated that they would not consider housing federal inmates unless their proposal was approved in its entirety. We understood that there was no room for negotiation. As a result, we did not recommend the contract for further consideration because of their additional requirements. Also, we were also concerned about risk management knowing that the detention center was short staffed. We were concerned about the potential safety issues for our detention employees. Later, the sheriff did agree to a temporary contract without the previous referenced stipulations. There was a wide range of discussions during this time. Moreover, I do not recall the specifics that may have attributed to any delays. Contracts do have to be reviewed by both parties.
5. There is a reference that for two years the county manager has not fixed the problem. I certainly agree that there are current circumstances that need attention. If you look at the progress that has been made over the last eighteen months, there has been a considerable effort to assist the sheriff and all employees in Sampson County. As detailed in the May 2022 budget message you will find that this effort has been ongoing for many years. We understand that this is an emotional issue for many. I can assure you that Sampson county's administration takes the issue of law enforcement compensation seriously. We certainly look forward to working with the commissioners and all departments including the sheriff to fully understand the county's fiscal challenges and make plans that benefit all citizens of Sampson County.

Thank you for the opportunity to comment.



Ed Causey  
County Manager

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**From:** [rjordan@mydailyrecord.com](mailto:rjordan@mydailyrecord.com) <Sent: Wednesday, August 17, 2022 9:55 AM  
**To:** Susan Holder <[susanh@sampsonnc.com](mailto:susanh@sampsonnc.com)>  
**Cc:** Ed Causey <[ecausey@sampsonnc.com](mailto:ecausey@sampsonnc.com)>  
**Subject:** Questions regarding Sampson Sheriff's Office

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Good Morning Ms. Holder:

I am in the process of writing a story which will be in the Friday, 8.19.2022 edition of The Daily Record regarding staffing problems experienced by the Sampson County Sheriff's Office.

My deadline for this story is tomorrow (8.18.2022) at noon.

Could you please respond to the following questions?:

- Sheriff Thornton says that nearly two years ago, he proposed Sampson County enter into a contract with the federal government to house federal inmates in the county detention center. The sheriff estimates his proposal would generate approximately \$1.8 million in revenue which would have enabled his agency to bring deputy salaries on par with surrounding departments and thus, stem the exodus of employees seeking to improve their economic situation. Why, did the county manager not support this idea?
- The sheriff told me that later, the county manager agreed to a trial basis on this inmate housing proposal, but the manager allegedly took nearly two months to sign the contract. Why was there such a delay to generate revenue that would not have been a property tax burden to the citizens of Sampson County?
- Why did the county manager implement a pay plan to increase all county employees' pay, but failed to bring deputies' pay to a level which would remain competitive with other agencies?
- Is it true that Sampson County agreed to perform a pay study in July 2022, but later canceled this plan? If so, why was the study canceled?
- On the night Deputy C. Emanuel was severely injured, there were only four deputies on patrol in a 963 square mile patrol area. That is 50% of the required staffing pattern. Does the county manager not consider this problem emergent?
- Please respond to this statement by Sheriff Thornton: "The issue is simple, in order to fully staff law enforcement and provide services to our citizens, we must be given the

tools to do it. In this case, pay is the missing tool! The night Deputy Emanuel was wounded the Sampson County Sheriff's Office had four deputies on patrol in Sampson County, when it needs at least eight. That's four deputies to cover 963 square miles! In all, right now, the sheriff's office is struggling to replace 13 deputies, guards, and patrolmen who've left for other jobs. 'Here's why we can't hire the deputies we need,' Sheriff Jimmy Thornton said. 'It's a hard fact: Neighboring counties pay their deputies, guards and patrolmen more than we pay for the same work in Sampson County. Sampson County Commissioner Sue Lee recently pointed out on Facebook that Sampson 'County's tax rate is higher than any surrounding county.' In the same statement, Commissioner Lee also defended paying the Sampson County Manager more than the governor of North Carolina. 'That leads to a basic question,' Sheriff Thornton said. 'If we tax more, why do we pay our deputies, guards and patrolmen less than surrounding counties?' For nearly two years I've warned the county manager we need to fix this problem. Unfortunately, he hasn't fixed it. Instead his budgets have landed us in a ditch that puts citizens at risk and deputies, guards, and patrolmen at risk. 'To get back on track it's time to pay our local law enforcement officers salaries that match counties around us.'"

- Additionally, please respond to this statement as well: "This is a dangerous job and it's hard to feed a family on \$38,160 a year and risk your life doing it. Columbus county, pays \$42,322, Clinton Police pays around \$4,000 more a year than we do. All the surrounding areas pay higher salaries. Other counties have a career path set up to bring their officers into top pay within 6 years, ours is 10 years. Example: Nash County starts deputies at \$43,738 and is six years they make \$57,771. It takes ten years for our deputies to get to \$44,280! Our officers could be paid a competitive salary without raising taxes, our county managers priorities just simply wrong."

I welcome any other comments you might share with me regarding this situation.

It would be most appreciated if I could receive a response by the end of today.

Regards,

[Robert A. Jordan](#)

**Staff Writer**

**The Daily Record**

**910-230-2037**

## Susan Holder

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**Subject:** FW: Public Safety Info  
**Attachments:** 20220728160444680.pdf; Vacancies 7.28.2022.xlsx; Jan 2022 Positions and Pay Grades.xlsx

### EXHIBIT I

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**From:** Sue Lee <slee@sampsonnc.com>  
**Sent:** Friday, July 29, 2022 9:00 AM  
**To:** Ed Causey <ecausey@sampsonnc.com>  
**Cc:** Jerol Kivett <jkivett@sampsonnc.com>; Clark Wooten <cwooten@sampsonnc.com>; Thaddeus Godwin <Tgodwin@sampsonnc.com>; Lethia Lee <llee@sampsonnc.com>; Susan Holder <susanh@sampsonnc.com>; David Clack <davec@sampsonnc.com>; Joel Starling <jstarling@sampsonnc.com>; Melissa Burton <melissab@sampsonnc.com>; Nancy Dillman <Ndillman@sampsonnc.com>  
**Subject:** Re: Public Safety Info

Good morning,

This is a matter of concern for everyone. It appears that Sampson County government is facing the alarming shortage of workers that is plaguing the private sector as well. Our county is in a tough competition with other counties with much larger tax bases and sources of revenue. Pessimistically but logically, the knowledge that our country is in a recession exacerbates the whole issue. To quote the Vice Chair, we are in unprecedented times. We need to work collectively to find answers to this. It could necessitate redefining county government services as we know them. Someone else might have a more palatable suggestion.

Just my thoughts!  
Happy Friday!

Sue

Sent from my iPad

On Jul 28, 2022, at 5:24 PM, Ed Causey <[ecausey@sampsonnc.com](mailto:ecausey@sampsonnc.com)> wrote:

Good afternoon commissioners,

The above information is provided for you to begin evaluating some of our personnel challenges. I would suggest that you look at the second attachment first, the third attachment second, and the first attachment last.

The following observations are offered:

1. We have a total of 47 vacancies at present. Thus, we are beginning to approach a total of 10% vacancies. Anytime a department approaches vacancies totaling 10% , WE BEGIN TO BE CONCERNED ABOUT THE EFFECTIVE DELIVERY OF SERVICES.
2. The vacancies are significant in Detention, Sheriff, Emergency Management , Health, and DSS. We also have several employees on workers compensation, light duty, or personal leave.
3. The first attachment includes examples of the recruitment efforts going on in other locations for employees.
4. You made a valiant effort during the last year to implement salary adjustments. Unfortunately, our challenges have been exacerbated by numerous instances of other counties and municipalities further



adjusting their salary schedules as of July 1.

5. Significant vacancies in any department cause significant increases in overtime expenditures.

6. Our current salary schedules will likely limit our ability to hire an experienced Senior Planner and Environmental health specialist. Thus, our challenges are across the board.

I will be glad to discuss further as needed.

Ed

MOVING FORWARD

# In Summary

- We have purposely not made, and will not make, any specific recommendations at this time. We want the Board of Commissioners to have an opportunity to digest a wide array of information regarding county government before specific directions are made to staff regarding developing recommendations.
- The Board has done a very good job of supporting all county employees and all citizens of Sampson County. Although there continue to be significant needs, we need not overlook what has been done in recent years for everyone.
- The record indicates that Sampson County Government has been a strong supporter of law enforcement for years. Everyone supports the adequate funding of law enforcement.

A recap of the salient points of each section follows.

**We have purposely not made, and will not make, any specific recommendations at this time.**

## **BUDGETARY**

- The audit for the year ending 6-30-2022 has not been completed. The 6-30-2020 average available fund balance was \$25,750,829. This amount represented 34% of general fund expenditures and is well within the range of the recommendations of the LGC for counties of similar size.
- Normally, the county appropriates approximately \$1.9 million dollars to balance the current budget being developed. These monies are generally not expended because we limit the use of lapse salaries.
- During the 2021/2022 fiscal year the BOC approved \$2,385,000 of personnel and salary expenditures that will be included in all subsequent budgets.
- Typically expenditures for annual recurring operating expenses would not be considered other than during the normal annual budgeting process.
- We projected \$450,000 for the Medicaid hold harmless revenue in this year's budget. We expect to receive less than this projected amount.
- Changes to the sales tax rate must be approved by the legislature and then approved by the County.
- We do not expect increases in sales tax at the same rate as seen in the last several years.
- In evaluating budgets for departments, we are most interested in the net tax support from local dollars. For example, the Social Services total budget is 16.3 million dollars. However, their net county tax support is 6.3 million dollars.
- 31% of our department budgets are comprised of salaries and fringes. Transportation and the water department are the only departments that do not receive net county tax dollars. However, it should be noted that the water department is a part of Public Works, and they do receive county tax dollars for the maintenance of buildings.
- The Sheriff's Department and Detention Center together do receive more net county tax dollars than any other county department or school system.
- With Medicaid expansion, the County will be required to have a sufficient number of workers to process the cases. At present, we receive a 75% reimbursement for these Medicaid workers. This will likely be reduced in subsequent years.
- With Medicaid Transformation, we can expect reimbursement from trips to fall approximately \$152,000.



- The projected \$910,000 needed for building reserves was not included in the budget.
- We did not include the approximate \$120,000 needed to cover the property reevaluation that is done every 8 years.
- Inflation and supply chain challenges continue to be a challenge. The current rate of inflation is approximately 8.5%. The cost of vehicles needed for the Transportation department have increased by approximately \$25,000. Delivery dates have been pushed back by 18 months. We expect that gas and vehicle repairs will be more than we budgeted for many departments.
- The budget for the new Emergency facilities building includes 76% in grant funds.
- Except for grant funds and grant funds restricted by the State all revenues earned by any department are revenues of the department. Generally, extra revenues received help to offset net county tax support.

## **HUMAN RESOURCES**

- The County had 50 vacancies as of 9-01-2022. These vacancies occur across many departments. There are challenges filling positions in law enforcement, EMS, Communications, Health, DSS and elsewhere.
- Multiple departments have recruitment challenges.
- We are all concerned about any employee whose work puts them at risk. Some of these at-risk employees include deputies and detention officers, social workers dealing with child and adult protective services, employees working and managing our emergency and disaster response, health department workers dealing with communicable diseases, utility crews always responding to outages, animal shelter workers dealing with rabid and diseased animals, and telecommunicators dealing with traumatic calls.
- Numerous counties and cities received COLAs in 2022 (after our January increase).
- Many departments work very proactively to deal with both program challenges and personnel shortages. For example, DSS, with plus or minus 150 positions, works very diligently to realign staffing to current needs.
- Personnel shortages in the Sheriff's Department and other departments is a regional, state, and national problem. Money can be a limitation. However, it is not the only limitation in recruiting a stable workforce.

- Market studies, when utilized, are a good tool for achieving as much consistency as possible among all positions.
- Much has been said regarding the county manager's salary. The BOC will ultimately determine the value of this position. However, comparisons with other similar positions both local and state suggest the salary is well within reasonable parameters.
- Over the last 4 years, the Sheriff's Department, including the Detention Center, has lost 95 employees to retirement or job termination for other reasons. DSS has lost 105 employees.
- The Sheriff's Department, excluding the Detention Center, has 95 positions. Of these, 48 are classified as deputy sheriffs.
- EMS has 52 full time and fluctuating part-time positions. Forty-seven of these positions are fulltime paramedics.
- The county is paying \$885 per month per employee for health insurance. There was no increase in premiums for the base plan this year. Three hundred and seventy-nine employees did select the buy up plan. When the county refinanced much of our existing debt several years ago, the State treasurer lauded the county for its vigilance in looking after employees in the 2015 pay plan as well the long term financial stability of the county with its deliberate and responsible decisions regarding a multitude of benefits.

## **SHERIFF'S DEPARTMENT**

- The Sheriff's Department should be lauded for their efforts to reduce their overall net tax support from the county by advocating for a federal contract.
- All employees, including the Sheriff's Department employees, received significant salary increases between July 2021 and January 2022. These included a 10% cost of living increase and 2.1 % bonus. Detention Officers received an additional 5% increase. These amounts do not include partial step increases that many employees received.
- Had the county been able to make a 2% cost of living increase this past July, we would have been on par with needed cost of living adjustments since the 2015 pay plan except for the CPI for 2021. Unfortunately, the CPI for 2021 was 7.1 %.
- We have included 14 additional different actions that have been taken since May 2017 to benefit the sheriff's department.

- The net tax support that was budgeted for the Sheriff's Office is more than \$11,000,000. This is after factoring in all other revenues received. These are property tax receipts and sales tax receipts that come directly from the citizens of Sampson County. This amount does not include the portion of debt service the county pays for their new facility. These monies account for more county tax dollars received than any other department or school system.
- The estimated existing debt on the Sheriff's Department building is \$8,362,000. The estimated current debt service is \$530,000, annually. This is additional tax support. The existing debt on the Sheriff's Department facilities is greater than the final debt on the emergency services building will be after completion.
- The Sheriff's Department, including the Detention Center, had a 62% increase in operating expenses over the 10-year period ending in 2020. They received a 6% increase this year.
- This year, County Administration, with the blessing of the BOC, advocated with the State to obtain an additional \$1,000,000 in funding to provide storage for the sheriff's office.
- We acknowledge that adequate staffing is a challenge for the sheriff's department and multiple other departments. The concerns are real and need to be thoroughly evaluated. Well-managed departments also evaluate and determine what they can do to continue providing effective services.
- The above clearly demonstrates that the BOC and County Administration have established a clear record of supporting all departments. We will continue to provide this effort. It is our goal to not only support all departments and partners but to do so in a manner that demonstrates real concern and interest in all citizens of Sampson County.