

January 19, 2021

The Washington County Board of Commissioners met in a recessed meeting on Tuesday, January 19, 2021 at 3:00 PM by using ZOOM—virtual meeting software (due to the COVID-19 pandemic) for Facebook Live Streaming and in person in the Commissioners’ Room, 116 Adams Street, Plymouth, NC. Commissioners Tracey Johnson, Ann Keyes, Carol Phelps, Bill Sexton and Julius Walker, Jr. were present. Also present were County Manager/County Attorney Curtis Potter, Clerk to the Board Julie J. Bennett and Finance Officer Missy Dixon.

Chair Sexton called the meeting to order.

Chair Sexton presented Ms. Fetima Moore, the Employee of the Quarter for March, with a Certificate of Appreciation for her Service and a \$250 check as the Employee of the Year for 2020.

Mr. Potter, CM/CA presented the following information regarding the FY22 Budget.

FY22 Budget Workshop Agenda Detailed

January 19th, 2021

Agenda Items:

1. Employee of the Year
2. Current Fiscal Year 6 Month Performance Review:
 - a. (Financial Statement from 7/1/20 to 12/31/20 attached for Reference)

Mr. Potter said the County is in relatively good shape. He does feel that the County will always have to supplement the EMS fund.

Chair Sexton said he has talked with Mr. Potter about forming an Airport Committee which will also look into getting someone in the Commerce Building.

The Landfill is the least healthy of the County’s funds because you have to put in it what the future cost will be to close the landfill. Water/Sanitation Funds are the only enterprise funds. They should generate enough money to sustain themselves.

3. General Overview of County Budget Process:
 - a. Budget Calendar-- Mr. Potter went over some of the pertinent dates on the budget calendar and statutes that drive them.
 - b. Review & Revise Budget Guidelines (From BOCC to CM to DHs)
 - i. (Draft Guidelines Based on FY21 Attached for Reference)

- c. Department Head Budget Kickoff (2/3/21)
 - i. (Draft Agenda & Instructions Based on FY21 Attached for Reference)
- d. Budget Notebook Format/Table of Contents/Materials
 - i. (Standard FY21 Forms Attached for Reference)

All of the Commissioners like the current format. They said it is easy to follow and easy to read.

4. Fund Balances (FB) Overview:

- a. Terminology: Refer to Notes in Audit (Pg. 36)
- b. General Fund (Fund 10) Fund Balance:
 - i. \$5.4M “Unassigned” as of 6/30/21 (38.67% of FY20 Expenditures)
 - ii. To estimate unassigned FB available for FY22 Budget (est. as of 7/1/21) deduct total estimated appropriated FB +/- (total est. final GF rev less GF exp) all as of 6/30/21).

The Commissioners asked Mr. Potter to bring a revised Fund Balance to the February meeting.

- c. County FB Policy (Currently 10% per 2015 policy adopted under prior management)
 - i. (Management strongly recommends policy update and increase to at least 20%)
 - ii. Additional Long Term GF FB Considerations
 - 2021 Revaluation Impacts on Tax Values & Ad-Valorem Revenues
 - Sustainability of Locally Stored Utility Pipeline Revenue (est. 400k)
 - Increasing Hospital Pension Liabilities
 - New Pay Plan Implementation Impacts
 - Future Economic/Community Development Forecast

- d. Other Fund Balances (Proprietary/Special Funds)
 - i. Fund 21 School Capital Outlay (Operations Contributions Included in GF10)
 - ii. Fund 30 Drainage
 - iii. Fund 33 Sanitation (Proprietary/Enterprise)
 - iv. Fund 35 Water (Proprietary/Enterprise)
 - v. Fund 37 EMS (Part of GF but maintained separately for accounting)
 - vi. Funds 38 & 39 Airport Grants & Operations
 - vii. Fund 58 Special Projects Grants
 - viii. Fund 60 CRF Pandemic Recovery
 - ix. Fund 61 CDBG Scattered Site Grants
 - x. Fund 63 Travel & Tourism
 - xi. Fund 69 E-911 Communications
 - xii. Fund 70 Revaluation

5. Recurring Major Annual Budget Considerations

- a. Tax Rate (Revaluation Pending)
- b. Tax Discount Program (annual cost \$61k vs. cash flow values)

The Commissioners were in agreement to continue with the Tax Discount program.

- c. Sales Taxes
- d. Drainage Tax Continuation (FY21 WSIT .01 cent)
- e. General Operating Cost Projections for next fiscal year: (Fuel, Utilities, Retirement, Health Ins., Workers Comp, Property/Liability Ins., etc.)—difficult to estimate (especially due to COVID because some programs have been shut down because of it).
- f. Hospital Pension Contribution (min est. \$400k for FY22)

When the County gets their report, the County will know what is expected for us to contribute this year.

- g. General Debt Service
- h. Recreation: (Continue PARTF \$10k per year accumulation?)

Commissioner Johnson asked could this be put in a restricted account rather than it rolling over into the General Fund each year. Mr. Potter said that he and Ms. Dixon have discussed this and believes this can be done. The consensus of the Board is to continue with the \$10,000 per year allocation for PARTF. Other Funding Direction? (none noted)

- i. School System Funding (Inc. Capital Outlay, SROs, Supplements)
- j. Misc Major Third Party Funding Allocation Discussions (MTW Health, Library, VFDs)
- k. Commissioner Sponsored Events Total Funding Thresh-hold Amount (FY21\$5k, FY22\$8k)—ie Peanut Festival, Bear Festival, May Daze Festival—put in the same allocation that is in the current budget.
- l. Proprietary/Enterprise Funds:
 - i. Water: Capital Improvements, Operations, Rates: <https://efc.sog.unc.edu/resource/north-carolina-water-and-wastewater-rates-dashboard> The County's water rates were last increased in 2015.

- ii. Landfill/Solid Waste (C&D Expansion, Management/Billing, Fees, Post Closure)
- m. Airport
- n. EMS: Contract, Revenues, Operation

The Board took a 5 minute recess.

Chair Sexton called the meeting back to order.

- o. Additional revenue sources or ideas
 - i. ¼ Cent Local Option Sales Tax (est \$380,000)
- p. Additional cost saving measures or ideas
 - i. Shift location of EM/Probation/Strader
 - ii. Fleet Management Program
 - iii. Energy Solutions Audit Program

6. Other Budget Items/Discussions:

- a. Performance Trends & Comparative Analysis
- b. Personnel Considerations

c. Upcoming Projects, Contracts, & Needs:

- i. Immediate Needs: CRF\$ Adjustments, Sheriff Vehicles, Planning & Rec Vehicles—
- ii. Commissioner Keyes did mention that the current Planning vehicle is in terrible shape. Mr. Potter said he will be bringing more info on this back to the Board in the future.e
- iii. Capital Improvement Plan (To be completed with FY22 Budget) Major Items Include:

- Vehicles: Sheriff; EMS; Utilities; Manager/Board; Tax;
- Detention Maintenance
- Courthouse Roof/Structural Repairs
- Dream Care Provider Bldg
- Other Building/Facility Maintenance Reserve
- DSS Parking Lot Paving
- Recreation Facility Upgrades/Projects
- Water SCADA System Replacement
- Water Pea Ridge Expansion
- VOIP Phone System Upgrade
- Strader/Planning & Safety/EOC Upfit Expenses
- Local Match for e911 PSAP Equipment Upgrades
- Upcoming Radio Upgrades Across Sheriff/EMS
- Copier Replacement Across All Depts

- Tax Software Upgrade/Change Over (after Revaluation)
- Tax/GIS/EM Pictometry Software
- Animal Shelter Upgrades
- Landfill Expansion/Post Closure
- Elections Machines
- Airport Terminal Bldg/EM Center
- Airport Hangars
- Recreation PARTF Project/Match
- Health Department/Senior Center Paving—Commissioner Keyes asked about adding additional recreational programs (?) check with Curtis
- Econ Development Projects (Grant Matches, Site Upfit, etc)
- EMS Building/Station

d. Specific Board Member Budget Priorities/Objectives/Major New Projects

e. Economic Development (Shell Bldg, BB/Agape Grants, Other)

Mr. Potter said this is the last year the County will have to pay debt service on the Commerce Building.

Chair Sexton said he had talked to Mr. Potter about hiring a part-time Economic Development person to help the County with Economic Development. Someone to help try to get someone in the Commerce Building. Chair Sexton asked Mr. Potter to contact the Albemarle Commission since they mentioned at the last meeting that they wanted to help counties with Economic Development. Commissioner Johnson mentioned that the Albemarle Commission just hired someone to assist the counties with Economic Development.

f. Major Contracts: (EMS, Fire, Security, Mowing, Republic Services) CP feels that they have a good working relationship with Tyrrell County and EMS.

Chair Sexton wanted to know why the trash complaints get put in the Tax Office. Mr. Potter said originally because the trash is paid on the tax bill. Mr. Potter said he may be working to have another office handle this (such as the Landfill.)

7. Closed Session Closed session as permitted by NCGS 143-318.11(a) (3) to consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege; and NCGS 143-318.11(a)(4) for the discussion of matters relating to economic development and the location or expansion of industries or other businesses in the County.

Consensus was to move this to the February 1 meeting.

8. Budget Guideline Revisions & Other Specific Board Directives to Budget Officer

Chair Sexton asked the Commissioners to think about the things discussed tonight and bring back ideas/suggestions/comments.

Commissioner Walker said he thinks this was a good session. Mr. Potter thanked Ms. Dixon for her and

her staff's assistance to help make his job easier. Chair Sexton said he thinks that Mr. Potter did a great job especially and for explaining it to the new Commissioners. Commissioner Keyes said she appreciated staff taking time to explain things to them.

At 7:45 PM, with no further business to discuss, **Commissioner Keyes made a motion to adjourn the meeting. Commissioner Walker seconded. Ms. Bennett proceeded with the roll call: Commissioner Walker, yea; Commissioner Phelps, yea; Commissioner Johnson, yea; Commissioner Keyes, yea; Commissioner Sexton, yea. Motion carried unanimously.**

William R. "Bill" Sexton
Chair

Julie J. Bennett, CMC, NCMCC
Clerk to the Board

9. Other Items:
(for the Board to look at on their own)

NOTES/RESOURCES:

1. A hard copy of the County Audit is provided to each Commissioner, & maintained by the Clerk for Public Inspection. A digital copy is posted online: https://www.washconc.org/finance_office.aspx
2. Chapter 20 (Budgeting for Operating and Capital Expenditures) of the UNC School of Government's County Administration Manual is available for your reference and review from the Budget Officer.
3. Slides from a presentation by UNC SOG Professor Gregory Allison entitled "Budgeting and Financial Responsibilities for Elected Officials" are made available by the NCACC for download at: <http://www.ncacc.org/DocumentCenter/View/2841/Budgeting-for-County-Commissioners?bidId=>
4. "Local Government Budgeting, a Guide for North Carolina Elected Officials" <https://www.sog.unc.edu/publications/books/local-government-budgeting-guide-north-carolina-elected-officials> is available for your reference and review from the Budget Officer, or can be ordered for you by the Clerk.
5. "Budgeting in NC Local Governments" <https://www.sog.unc.edu/publications/books/budgeting-north-carolina-local-governments-0> is available for your reference and review from the Budget Officer, or can be ordered for you by the Clerk.
6. Local Government Commission: Financial Analysis Tools & Reports: <https://www.nctreasurer.com/state-and-local-government-finance-division/local-government-commission/financial-analysis-tools-and-reports>
7. NC Water Rates Dashboard: <https://efc.sog.unc.edu/resource/north-carolina-water-and-wastewater-rates-dashboard>
8. Top 10 Questions About Local Public School Budgeting Process: <https://canons.sog.unc.edu/top-ten-questions-about-the-local-public-school-budgeting-process/>

Budget Calendar
Washington County, North Carolina
Fiscal Year July 1, 2021 - June 30, 2022 (aka FY22)

2021 DATES		BUDGET PROCEDURES	ACTION BY	
			Responsible Party	Statute Reference
Mon*	1/4	Presentation of Proposed Budget Calendar & Discussion/Scheduling of Budget Workshop	CM/Board	
TBD**	TBD	Budget Planning Workshop Date/Time (TBD)	CM/CFO/Board	
Wed	2/3	Dept. Head Budget Kickoff Meeting Distribution of Budget Forms & Instructions	CM/CFO DHs (MANDATORY)	
	2/4-2/25	Departmental Budget Consultations/Assistance Ask for Assistance if needed	CM/CFO DHs (MANDATORY)	
Fri	2/26	Departmental Budget Request Submission Deadline Includes: Revenues, Expenses, All Supporting Docs/Materials	DHs	159-10 (April 30)
TBD in March	between 3/1-3/31	Departmental & External Budget Request Meetings CM/CFO mtgs with Dept Heads, MTW, Library, Fire, other partners/agencies CM/CFO mtgs with School Admin	CM/CFO/DHs/Misc	Budget Ord (Mar 31) 115C-429(a) (May 15)
Thurs	4/15	Update of tax valuation due from Tax Department	Tax	
Fri	4/16	Working Draft Expense Budgets to DHs	CM	
Tues	4/27	Final of tax valuation from Tax Department	Tax	
Wed	4/28	Balancing of Draft Recommended Budget	CM/CFO	
Mon*	5/3 (5PM)	Recommended Budget Published w/ CM's Budget Message Presented to Board Filed with Clerk to the Board Board to Confirm Public Hearing Date	CM Clerk Board	159-11 (June 1) 159-11(b) 159-12(a)
Fri	4/30 deadline for 5/5 publication	Publish notice in newspaper stating that budget has been filed and is open for public inspection & setting time & place for public hearing on budget	Clerk	159-12(a)
TBD**	Between 5/3-6/4	Commissioners work sessions to review budget with departments, agencies, school board as desired	Board CM/CFO/Various	
Mon**	5/17	Official public hearing on the budget	Board/Public	159-12(b)
Mon*	6/7	Adoption of Budget Ordinance <i>Budget Ordinance may not be adopted until (a) ten days have elapsed from date budget is filed & (ii) public hearing is held.</i>	Board	159-13 (July 1)

NOTES:

* = Reg Board Mtg Date

** = Extra or Non-Regular Board Mtg Date

All dates are subject to changes or adjustment as deemed necessary by the Board or County Management

FY22 Budget Preparation Guidelines
For the Budget Officer
From the Washington County Board of Commissioners:

1. Mandatory statutory funding requirements should be met each year, or for those that are typically spread over multiple years, the pro-rated portion thereof should be funded each year rather than deferring expenses to later fiscal years.
2. Attempt to prevent the expansion of existing services or the establishment of new services unless a new revenue stream can be established to fund the expanded or new services.
3. Any premium increases in spousal or family health/dental/vision coverages should be passed through to employees.
4. Attempt not to layoff or furlough any current employees, and no new positions should be created unless funded by a grant or specific new revenue stream. Restoration of previously eliminated positions may be considered if the benefits in doing so clearly outweigh the associated costs.
5. Continue to offer the same tax discount program initiated last fiscal year, and advertise the discounts in advance and more publicly before they are due to prevent confusion and enable citizens to take better advantage of the discount even if tax bills are sent out behind schedule.
6. Attempt to maintain the full .04 cents of collected tax revenue for funding fire services, and itemize this separately on the tax bill for the upcoming year.
7. Attempt to maintain the special watershed improvement tax of at least the current .01 cent rate.
8. Attempt to fund at least the full recommended annual contribution for the WCH Pension Plan.
9. Attempt to identify and propose corrections for any major irregularities or inequities in the Washington County Pay Plan during the budget process.
10. Present a balanced budget to the Board of Commissioners.
11. Other Specific Guidance from Board or Individual Members: Attempt to:
 - a. Consider the addition of an Economic Developer/Grant Writer position for FY21
 - b. Address the need to develop a capital improvement plan (CIP) to more proactively plan & budget for major capital improvements and/or maintenance expenses.
 - c. Address the need for a new/renovated EMS Station
 - d. Address Recreation facilities/program needs and/or modifications per Board

FY22 Budget Kickoff Agenda

Wednesday February 3, 2021

*Denotes the existence of a form to be provided by the Budget Officer of Finance Officer

1. Budget Calendar
2. Budget Workshop Overview
3. FY22 Budget Preparation Guidelines to Budget Officer from BOCC
4. Budget Instructions for Department Heads (Read Carefully & Fully)
 - a. Chart of Accounts: Carefully review and use only current official COA line item titles and corresponding line item codes. If changes to existing COA lines are desired contact Budget Officer ASAP and BEFORE submitting budget requests. New lines may be proposed within the budget request itself but should be clearly marked as “NEW PROPOSED LINE” and include an explanation regarding its need.
 - b. Budget Forms:
 - i. Use only the excel spreadsheet templates provided by the Budget Officer
 - ii. Use DETAILED & UPDATED Justifications
 - iii. Attach Full Supporting Documentation (e.g. contracts, quotes, emails, etc.)
 - iv. Line Item Forms for *Revenues/*Expenses/*Personnel/*Travel & Training
 - v. *Contracts List: Include all known or anticipated contracts paid from your budget (e.g. software charges, leases, 3rd party contractors, etc.)
 - vi. *Capital Outlay & Improvement Plans (Current year + 3 years with detailed explanations/justifications/supporting documents) (5-10 year horizon notes)
 - a. Vehicles, Facility Repairs, Any equipment over \$2000 each or as a group
 - b. *Facilities, Vehicles, & Equipment Inventory/Needs (New in FY21)
 - vii. *Grants Log (NEW in FY21)
5. Annual Spending Freeze in May of Current Budget Year

FY22 DEPARTMENTAL BUDGET REQUEST INSTRUCTIONS

1. **Format:** All county department budget requests **MUST** be prepared and submitted electronically using the official Microsoft Excel budget forms provided by the County Manager/Budget Officer (CM). Read and follow the directions provided in these forms carefully as doing so will help create uniformity and streamline the budget process overall.

Any and all other budget requests should be typed and submitted to the CM in the most efficient format to communicate the amount, nature, and detailed justifications for any funding requested. All backup documentation should be clearly labeled with its corresponding budget line item code, and attached to the request when submitted.

A FY22 Budget Project will be set up and utilized within Washington County's Base Camp Project Management system. This is where budget documents, updates, questions, additional budget instructions, events, and other important information related to the budget process will be posted. Please contact anyone in the Manager's Office for assistance with using or accessing Basecamp as early as possible to avoid unnecessary delays.

- a. **Detail:** Detailed, accurate, and **updated** justifications need to be given for each and every line item.
 - i. **START** by double checking your line item descriptions and codes against those that appear in the monthly financial statements or within the Edmunds financial system to make sure you are using the proper codes and descriptions. If changes need to be made note this and discuss with the Budget Officer.
 - ii. **DO NOT** simply copy and paste codes, descriptions, or justification language from previous fiscal years.
 - iii. Provide sufficient detail and backup documentation to allow the general public to fully understand the need/justification for items of funding requested. Failure to do so may result in your request being modified or denied.
 - iv. The Internal Capital Outlay threshold is \$2,000.00. Be sure to itemize every single item or group of similarly related items requested that cost more than \$2,000.00 in the Capital Outlay section.
 - v. General departmental supply lines need to include office supplies as well as copier paper, toner, printer ribbons and cartridges. (Most departments are under Toshiba services, but you must still list your budgeted lease payment in your request). Departmental vehicle maintenance/fuel and postage should also be itemized separately in each applicable department.
 - vi. Revenue estimates are required before expense requests will be considered. You are expected to fully understand and review your revenue lines, and to estimate revenues for the upcoming budget year in making your requests.
 - a. For any revenues/expenses related in any way to other revenue/expense lines, clearly describe the nature/formula of the relationship to promote full understanding of such relationships and facilitate faster budget review.
 - vii. Budgeting for the following will be provided primarily by the Finance Office staff based on your input.

* Salaries & wages	* Workman's compensation
* Social security and Medicare	* 401(k) contribution
* Group insurance	* Insurance and Bonds
* Retirement	* Unemployment
* Longevity	* Service Awards
- b. **Grants:** For current or planned future grants, clearly describe the full applicable project's budget, including all known **local grant matches** and anticipated grant revenues/expenses in your budget request. Make certain that you receive prior written approval of the County Manager and Finance Officer **BEFORE** you make any application for or approve receipt of any grant. Attach backup documentation.
- c. **Travel & Training:** Use the form provided to fully itemize, break down, and justify all training and travel requests. List event locations, registration fees, approximate mileage, etc. Clearly label any expenses related to maintaining any mandatory certifications as "MANDATORY". Remember that all expenses related to any training (including travel to a training event)

are “training” expenses. Any other non-training related travel expenses are “travel” expenses, and should not be related in any way to training. The travel reimbursement rate for mileage is expected to remain at \$0.50 cent per mile.

d. Contracts:

- i. All Contracts for the upcoming year need to be finalized and executed by the contractor/provider and ready for County signature by no later than May 1st of this current year.
- ii. You are responsible for maintaining a duplicate set of your active contracts and actively monitoring their performance by the contractor/vendor as well as monitoring the need to renew, revise, or solicit competitor quotes on an ongoing basis.
- iii. Use the form provided to fully list and itemize ALL existing or anticipated contracts, including without limitation those for maintenance on equipment or software, for independent contractors, or for any other goods or services paid for from your departmental budget, including the applicable line items, amounts, etc.
- iv. If possible, contact vendors/competitors to see if any contracts can be renegotiated to save funds, or if they are needed at all, and attach any new proposals/revisions/competitor quotes to be discussed with the Budget Officer. **Remember that only the County Manager has the authority to change or execute any contract to be paid for using County funds.**

e. Personnel:

- i. The Board has directed generally that new positions not be considered for the upcoming fiscal year unless they are to be funded with additional revenue sources, or unless the position is the restoration of a previous position within a department where the estimated benefits or restoring the position clearly outweigh its estimated costs.
- ii. The CM’s main focus in personnel during the FY21 budget will be to identify and correct any major pay disparities or inequities within the current pay plan. Use the Personnel Budgetary Requests form to provide information that will assist in this effort, and to make any additional personnel requests you may have for the upcoming budget year. List all positions and/or personnel. Justify in detail all requests for any temporary and/or part-time positions, as well as anticipated number of hours requested for each. Also note if any particular employees are expected to complete requirements for any particular advancement during the upcoming year. (Example: Deputy I to a Deputy II) so that correct salaries can be projected.

- f. FY22 Fee Schedule: Review the current county fee schedule for any fees related to your department and submit with your budget request any request to change any such fees, or a statement that no changes are recommended.

2. Current Fiscal Year Considerations:

- a. Per Board directive, you are NOT allowed to overspend any line item in your budgets. Review your monthly Budget Reports carefully. Budget Transfers within your departmental budget lines are allowed, and should be made before funds are spent from the correct line item. **All Budget Transfers must have the CM’s approval prior to being processed.**
- b. Current Fiscal Year End expense estimates through June 30, 2021 should be **accurate estimated** figures, not simply a division of 8 or 9 months actual expenditures to date. If there are specific reasons why you are or anticipate being under/over budget for the current budget year, please explain this in detail within the applicable section of your request.

3. Questions related to the Budget process should be forwarded to the County Manager/Budget Officer or the Finance Officer. If anything seems wrong or confusing, contact someone ASAP.

Departments will be contacted for budget review appointments in accordance with the Budget Calendar(attached) and are currently tentatively planned for 3/1 – 3/31.

4. District Agencies/Third Parties: (Health, Mental Health, Schools, Library, Fire Depts, Forestry, Coop Extension, etc.) are required to supply detailed line item budgets and independent audits if available. Contact the Budget Officer or Finance Officer with any questions concerning your request as early as possible.

5. Timing: Consult the most recent version of the approved Budget Calendar for the applicable Year

- a. **All budget requests and supporting materials must be forwarded in the appropriate format to the County Manager/Budget Officer by February 26th, 2021, and should also be copied to the County Finance Officer.**

FY21 Budget Requests - DIRECTIONS

START HERE: Use the highlighted boxes below to insert the requested information on this sheet first. It will autofill into the remaining budget forms/sheets throughout the entire excel file, and assist in keeping multiple versions clearly labeled.

STEP ONE Budget Request Submitted for: TYPE DEPARTMENT NAME

STEP TWO Budget Request Submitted By: TYPE PREPARER'S NAME

STEP THREE Budget Prepared/Updated On:* TYPE DATE PREPARED

*Change this date each time you make an update/revision to your requests

STEP FOUR Download/save this excel file to use in making your budget requests. Rename it by replacing the "v20200205" part of the file name with the name of your "**Department**" so the new file name clearly indicates which department it is for.

NOTES: "FY21" Refers to the July 1, 2020 - June 30, 2021 Fiscal Year

1	A "FY21 Budget" Project has been set up in Base Camp where budget documents, updates, questions and answers, events and other info related to the FY21 Budget Process will be posted.
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If you need assistance accessing or using Basecamp contact Allysa Rouse or Angie Adams

2	Skip the Revenues sheet/form ONLY if your department has none & initial:
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STEP FOUR(A) Only mark if department has no revenues to report:

3	The term " Actual Est. by 6/30/20 " refers to the total amount estimated to be RECEIVED for revenues, or SPENT for expenditures in each line by the end of the current fiscal year (6/30/20). NOT the balance or how much you expect to have remaining.
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4	The term " Current FY20 Budget " refers to the actual amount BUDGETED in the current fiscal year for each line item (adopted FY20 budget +/- any amendments through the date entered above). Refer to Edmunds, or the most recent financial statements from the Finance Office for updated figures.
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5	The BOCC has requested extra attention be paid to note in justifications whenever an expense is tied to a revenue reimbursement. Please note this including the revenue line and reimbursement percentage or amt est.
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6	All Contracts for FY21 need to be finalized and executed by the contractor/ provider and ready for County signature no later than 5/1/20. You are responsible for maintaining a duplicate set of your active contracts and actively monitoring their performance by the contractor/vendor as well as monitoring the need to renew, revise, or solicit competitor quotes on an ongoing basis.
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STEP FOUR(B) Initial One: I have reviewed the County Fee Schedule, and recommend:

- Not Applicable
- No Changes to Fees related to my Department
- Changes as described in the attached revised fee schedule

FY21 Budget Requests - REVENUES

STOP: Read the "Directions" sheet before making any changes to this sheet

(SKIP THIS FORM ONLY IF YOUR DEPARTMENT HAS NO REVENUES)

Department: TYPE DEPARTMENT NAME **Date:** TYPE DATE PREPARED

Line Item Name:		Actual Est. by 6/30/20	-
Line Item Code#:		Current FY20 Budget:	-
Justification		FY21 Budget Req:	-

Line Item Name:		Actual Est. by 6/30/20	-
Line Item Code#:		Current FY20 Budget:	-
Justification		FY21 Budget Req:	-

Line Item Name:		Actual Est. by 6/30/20	-
Line Item Code#:		Current FY20 Budget:	-
Justification		FY21 Budget Req:	-

Line Item Name:		Actual Est. by 6/30/20	-
Line Item Code#:		Current FY20 Budget:	-
Justification		FY21 Budget Req:	-

FY21 Budget Requests - EXPENDITURES

STOP: Read the "Directions" sheet before making any changes to this sheet

Department:	TYPE DEPARTMENT NAME	Date:	TYPE DATE PREPARED
Line Item Name:		Actual Est. by 6/30/20	-
Line Item Code#:		Current FY20 Budget:	-
Justification		FY21 Budget Req:	-
Line Item Name:		Actual Est. by 6/30/20	-
Line Item Code#:		Current FY20 Budget:	-
Justification		FY21 Budget Req:	-
Line Item Name:		Actual Est. by 6/30/20	-
Line Item Code#:		Current FY20 Budget:	-
Justification		FY21 Budget Req:	-
Line Item Name:		Actual Est. by 6/30/20	-
Line Item Code#:		Current FY20 Budget:	-
Justification		FY21 Budget Req:	-
Line Item Name:		Actual Est. by 6/30/20	-
Line Item Code#:		Current FY20 Budget:	-
Justification		FY21 Budget Req:	-

FY 21 Budget Requests - CAPITAL OUTLAY

FY21 Future Capital Outlay (Draft Capital Improvement Plan)

STOP: Read the "Directions" sheet before making any changes to this sheet

(Items or groups of similar items Exceeding \$2,000)

Use each column below for the same line item to project any anticipated future capital outlay requests, including annually recurring items over the next three fiscal years. For recurring items with the same justification, you may simply state ("See prior year"). Also note any additional major capital outlay needs or concerns that should be planned for related to this line item. For items with no applicable line item in the FY21 budget to the left, create a new line item in that budget, and note in its justification that it is "Created for Future CIP Purposes"

Department: TYPE DEPARTMENT NAME				Date: TYPE DATE PREPARED			
Line Item Name:		Current FY20 Budget:	\$0.00	FY22	FY23	FY24	Additional/Other/Notes:
Line Item Code#:		FY21 Budget Req:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Justification:				Justification:	Justification:	Justification:	Justification:
Line Item Name:		Current FY20 Budget:	\$0.00	FY22	FY23	FY24	Other/Notes:
Line Item Code#:		FY21 Budget Req:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Justification:				Justification:	Justification:	Justification:	Justification:
Line Item Name:		Current FY20 Budget:	\$0.00	FY22	FY23	FY24	Other/Notes:
Line Item Code#:		FY21 Budget Req:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Justification:				Justification:	Justification:	Justification:	Justification:
Line Item Name:		Current FY20 Budget:	\$0.00	FY22	FY23	FY24	Other/Notes:
Line Item Code#:		FY21 Budget Req:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Justification:				Justification:	Justification:	Justification:	Justification:
Line Item Name:		Current FY20 Budget:	\$0.00	FY22	FY23	FY24	Other/Notes:
Line Item Code#:		FY21 Budget Req:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Justification:				Justification:	Justification:	Justification:	Justification:
Line Item Name:		Current FY20 Budget:	\$0.00	FY22	FY23	FY24	Other/Notes:
Line Item Code#:		FY21 Budget Req:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Justification:				Justification:	Justification:	Justification:	Justification:
Line Item Name:		Current FY20 Budget:	\$0.00	FY22	FY23	FY24	Other/Notes:
Line Item Code#:		FY21 Budget Req:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Justification:				Justification:	Justification:	Justification:	Justification:
Line Item Name:		Current FY20 Budget:	\$0.00	FY22	FY23	FY24	Other/Notes:
Line Item Code#:		FY21 Budget Req:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Justification:				Justification:	Justification:	Justification:	Justification:
Line Item Name:		Current FY20 Budget:	\$0.00	FY22	FY23	FY24	Other/Notes:
Line Item Code#:		FY21 Budget Req:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Justification:				Justification:	Justification:	Justification:	Justification:

WASHINGTON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

Fund Balances

In the governmental fund financial statements, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balances as follows:

Nonspendable Fund Balance - This classification includes amounts that cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash), or (b) legally or contractually required to be maintained intact.

Prepays - portion of fund balance that is not an available resource because it represents expenditures that have been paid in advance, so these are not spendable resources.

Restricted Fund Balance— This classification includes revenue sources that are restricted to specific purposes externally imposed or imposed by law.

Restricted for Stabilization by State Statute - North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units. Restricted by State statute (RSS), is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as "restricted by State statute." *Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget.* Per GASB guidance, RSS is considered a resource upon which a restriction is "imposed by law through constitutional provisions or enabling legislation." RSS is reduced by inventories and prepaids as they are classified as nonspendable. Outstanding encumbrances are included within RSS. RSS is included as a component of Restricted Net position and Restricted fund balance on the face of the balance sheet.

Restricted for Human Services - portion of fund balance restricted for the Emergency Medical Services activities.

Restricted for Public Safety - portion of fund balance restricted for the Emergency Telephone System Fund.

Restricted for Economic and Physical Development - portion of fund balance restricted for the Drainage Fund, Airport Fund, and Single Family Rehabilitation Fund.

Restricted for Education - portion of fund balance restricted for School Capital Outlay.

WASHINGTON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

Committed Fund Balance– Portion of fund balance that can only be used for specific purpose imposed by a majority vote of the County’s Board of Commissioners (highest level of decision-making authority). Any changes or removal of specific purposes requires majority action by the governing body.

Committed for Tax Revaluation - portion of fund balance that can only be used for Tax Revaluation.

Assigned Fund Balance – portion of fund balance that the County's governing board has budgeted.

Capital projects - portion of fund balance that is appropriated in capital project funds.

Hospital pension plan - portion of fund balance that is appropriated to cover expenses associated with the Hospital Pension Plan.

Subsequent year's expenditures - portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body approves the appropriation; however, the budget ordinance authorizes the manager to modify the appropriations by resource or appropriation within funds.

Unassigned Fund Balance – portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds.

The finance officer will use resources in the following hierarchy: bond proceeds, federal funds, state funds, local non-city funds, and county funds. When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the County’s policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the County’s policy to use fund balance in the following order: (1) Committed, (2) Assigned, and (3) Unassigned.

The Governing Body of Washington County has officially adopted a policy that the County should maintain a minimum available fund balance of 10% of general fund expenditures in case of unforeseen needs or opportunities, in addition to meeting the cash flow needs of the County. Additionally, County management has consistently advised that a fund balance of 18% to 22% is more appropriate for a jurisdiction of Washington County's size and characteristics.

12 Defined Benefit Pension and OPEB Plans

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Local Governmental Employees’ Retirement System (LGERS) and the Register of Deeds’ Supplemental Pension Fund (RODSPF) and additions to/deductions from LGERS’ and RODSPF’s fiduciary net position have been determined on the same basis as they are reported by LGERS and RODSPF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

WASHINGTON COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

Fund Balance (continued)

The following schedule provides management and citizens with information on the portion of General Fund balance that is available for appropriations:

Total Fund Balance - General Fund	\$ 8,293,894
Less:	
Nonspendable (Prepays)	117,171
Stabilization by State Statute	1,086,683
Tax revaluation	110,678
Hospital pension plan	439,700
Subsequent year's expenditures	1,093,042
Working Capital / Fund Balance Policy	-
Remaining Fund Balance	\$ 5,446,620

The County had no outstanding encumbrances at June 30, 2020.

NOTE IV: Joint Ventures

The County participates in a joint venture to operate Pettigrew Regional Library with four other local governments. Each participating local government appoints one board member to the five member board of the Library. The County has an ongoing financial responsibility for the joint venture because the Library's continued existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in the Library, so no equity interest has been reflected in the financial statements at June 30, 2020. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$186,423 to the Library to supplement its activities. Complete financial statements for the Library can be obtained from the Library's offices at 201 E. 3rd Street, Plymouth, NC 27962.

The County also participates in a joint venture to operate Martin, Tyrell, Washington Health Department with two other local governments. The County government appoints certain board members to the board of the Health Department per State statute. The County has an ongoing financial responsibility for the joint venture because the Health Department's continued existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in the Health Department, so no equity interest has been reflected in the financial statements at June 30, 2020.

In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$199,346 to the Health Department to supplement its activities. Complete financial statements for the Health Department can be obtained from their offices at Highway 45 N, Plymouth, NC 27962.

**Washington County, North Carolina
Non-Major Special Revenue Funds
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
For the Fiscal Year Ended June 30, 2020**

	Emergency Telephone System Fund	Drainage Fund	Emergency Medical Services Fund	Airport Fund	NCHFA Single Family Rehabilitation Loan Pool	CRF Pandemic Recovery Fund	Total
Revenues:							
Other taxes and licenses	\$ 162,822	\$ 93,066	\$ -	\$ -	\$ -	\$ -	\$ 255,888
Restricted intergovernmental	-	49,222	221,182	-	121,476	6,782	398,662
Sales and Services	-	-	1,420,722	66,085	-	-	1,486,807
Investment earnings	-	107	-	-	-	-	107
Miscellaneous	-	-	9,850	-	-	-	9,850
Total revenues	162,822	142,395	1,651,754	66,085	121,476	6,782	2,151,314
Expenditures:							
Public safety	109,652	-	-	-	-	-	109,652
Human services	-	-	1,953,315	-	-	6,782	1,960,097
Economic and physical development	-	106,742	-	155,829	121,476	-	384,047
Debt service:							
Principal retirements	-	-	68,122	-	-	-	68,122
Interest and fiscal charges	-	-	5,693	-	-	-	5,693
Total expenditures	109,652	106,742	2,027,141	155,829	121,476	6,782	2,527,622
Revenues over (under) expenditures	53,170	35,653	(375,387)	(89,744)	-	-	(376,308)
Other financing sources (uses):							
Transfers in (out)	-	-	497,457	93,559	-	-	591,016
Sale of fixed assets	-	-	30,000	-	-	-	30,000
Total other financing sources (uses)	-	-	527,457	93,559	-	-	621,016
Net change in fund balances	53,170	35,653	152,070	3,815	-	-	244,708
Fund balances, beginning	539,475	124,812	341,089	23,529	25,293	-	1,054,198
Fund balances, ending	<u>\$ 592,645</u>	<u>\$ 160,465</u>	<u>\$ 493,159</u>	<u>\$ 27,344</u>	<u>\$ 25,293</u>	<u>\$ -</u>	<u>\$ 1,298,906</u>

Washington County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Net Position
Proprietary Funds
For The Fiscal Year Ended June 30, 2020

	Sanitation Fund	Water Fund	Totals
Revenues:			
Operating Revenues:			
Charges for Services	\$ 1,325,718	\$ 1,368,811	\$ 2,694,529
Tap and connection fees	-	9,641	9,641
Miscellaneous	-	483	483
Total Operating Revenues	<u>1,325,718</u>	<u>1,378,935</u>	<u>2,704,653</u>
Expenditures:			
Operating Expenses:			
Landfill and collections	1,394,416	-	1,394,416
Treatment plant	-	225,093	225,093
Operations and maintenance	-	561,305	561,305
Depreciation	<u>6,348</u>	<u>255,974</u>	<u>262,322</u>
Total Expenditures	<u>1,400,764</u>	<u>1,042,372</u>	<u>2,443,136</u>
Operating income (loss)	<u>(75,046)</u>	<u>336,563</u>	<u>261,517</u>
Nonoperating Revenues (Expenses)			
Restricted intergovernmental	4,587	84,945	89,532
Investment earnings	-	931	931
Interest Expense	-	(146,472)	(146,472)
Total Nonoperating Revenues (Expenses)	<u>4,587</u>	<u>(60,596)</u>	<u>(56,009)</u>
Income (Loss) before transfers	(70,459)	275,967	205,508
Transfers in	30,000	-	30,000
Transfers out	-	-	-
Change in net position	<u>(40,459)</u>	<u>275,967</u>	<u>235,508</u>
Total net position, beginning	<u>(458,238)</u>	<u>2,466,332</u>	<u>2,008,094</u>
Total net position, ending	<u>\$ (498,697)</u>	<u>\$ 2,742,299</u>	<u>\$ 2,243,602</u>

Washington County, North Carolina
School Capital Outlay Fund - Capital Project Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2020

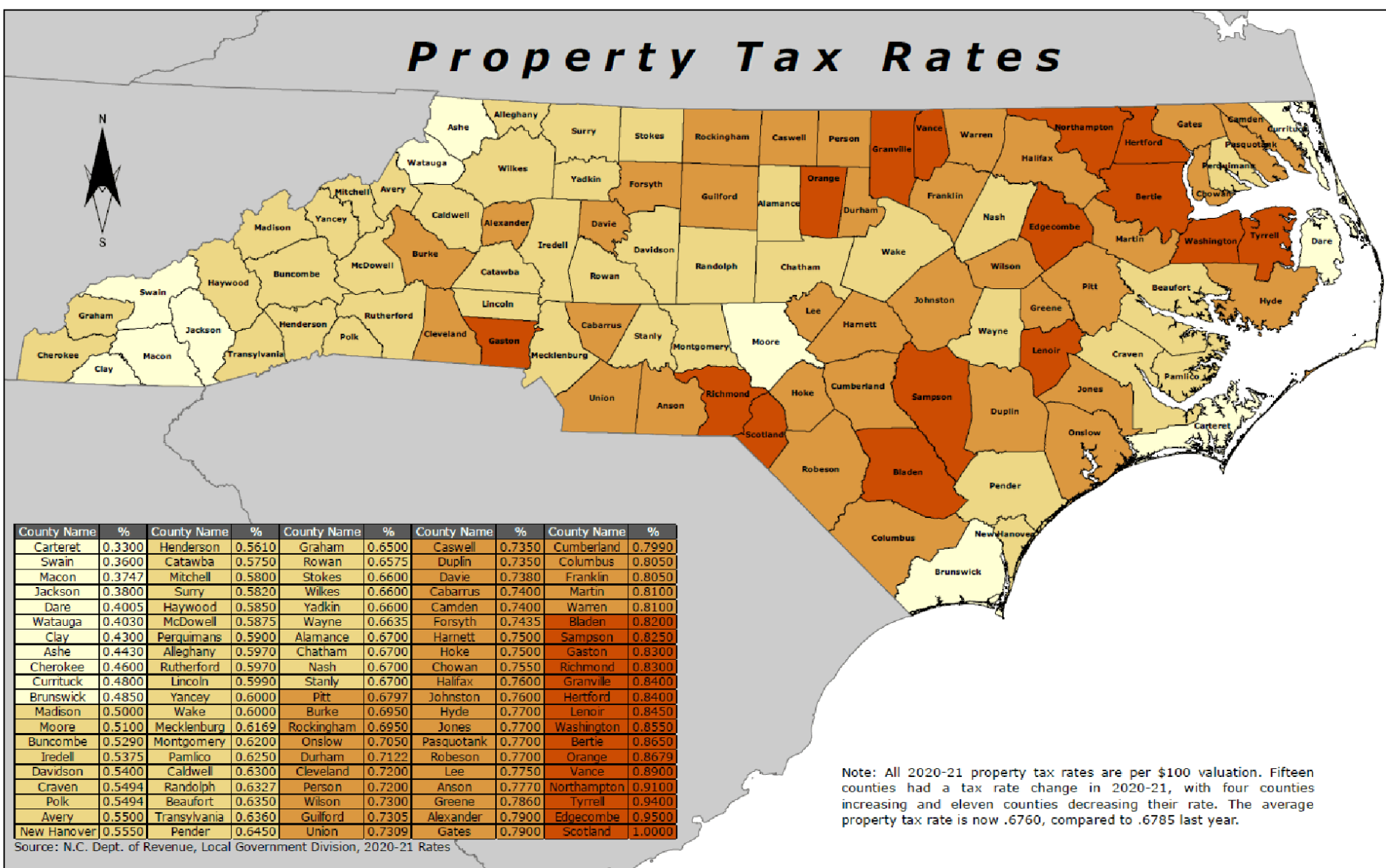
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Revenues:			
Restricted Intergovernmental	\$ 515,000	\$ 561,139	\$ 46,139
Total revenues	<u>515,000</u>	<u>561,139</u>	<u>46,139</u>
Expenditures:			
Capital Outlay	<u>400,000</u>	<u>400,000</u>	<u>-</u>
Total expenditures	400,000	400,000	-
Revenues over (under) expenditures	<u>115,000</u>	<u>161,139</u>	<u>46,139</u>
Other financing sources:			
Designated for future appropriation	(115,000)	-	115,000
Appropriated Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>(115,000)</u>	<u>-</u>	<u>115,000</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>161,139</u>	<u>\$ 161,139</u>
Fund balances, beginning		672,111	
Fund balances, ending		<u>\$ 833,250</u>	

Washington County, North Carolina
Washington County Travel and Tourism Authority
Discretely Presented Component Unit
Supplemental Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2020

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Occupancy Taxes	\$ 147,700	\$ 124,871	\$ (22,829)
Bear Festival sponsorships	-	-	-
Investment earnings	-	223	223
Total Revenues	<u>147,700</u>	<u>125,094</u>	<u>(22,606)</u>
EXPENDITURES			
Salaries and benefits	28,153	26,833	1,320
Advertising	52,400	37,039	15,361
Operating expenditures	71,050	37,606	33,444
Contingency	8,750	-	8,750
Total Expenditures	<u>160,353</u>	<u>101,478</u>	<u>58,875</u>
Revenues over (under) expenditures	<u>(12,653)</u>	<u>23,616</u>	<u>36,269</u>
Other financing sources:			
Appropriated fund balance	12,653	-	(12,653)
Total other financing sources	<u>12,653</u>	<u>-</u>	<u>(12,653)</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ 23,616</u>	<u>\$ 23,616</u>
Fund balances, beginning		<u>91,562</u>	
Fund balances, ending		<u>\$ 115,178</u>	

Property Tax

Property Tax Rates



**Washington County, North Carolina
General Fund
Schedule of Ad Valorem Taxes Receivable
For the Year Ended June 30, 2020**

Fiscal Year	Uncollected Balance June 30, 2019	Additions	Collections And Credits	Uncollected Balance June 30, 2020
2019-2020	\$ -	\$ 8,273,688	\$ 7,919,112	\$ 354,576
2018-2019	348,726	6,473	219,874	135,325
2017-2018	173,840	5,478	63,948	115,370
2016-2017	100,651	-	32,838	67,813
2015-2016	86,344	-	14,376	71,968
2014-2015	115,557	-	20,103	95,454
2013-2014	40,225	-	6,431	33,794
2012-2013	34,006	-	5,017	28,989
2011-2012	27,663	-	3,840	23,823
2010-2011	21,815	-	2,464	19,351
2009-2008	17,314	-	17,314	-
Totals	<u>\$ 966,141</u>	<u>\$ 8,285,639</u>	<u>\$ 8,305,317</u>	<u>\$ 946,463</u>

Less Allowance for Doubtful Accounts (165,752)

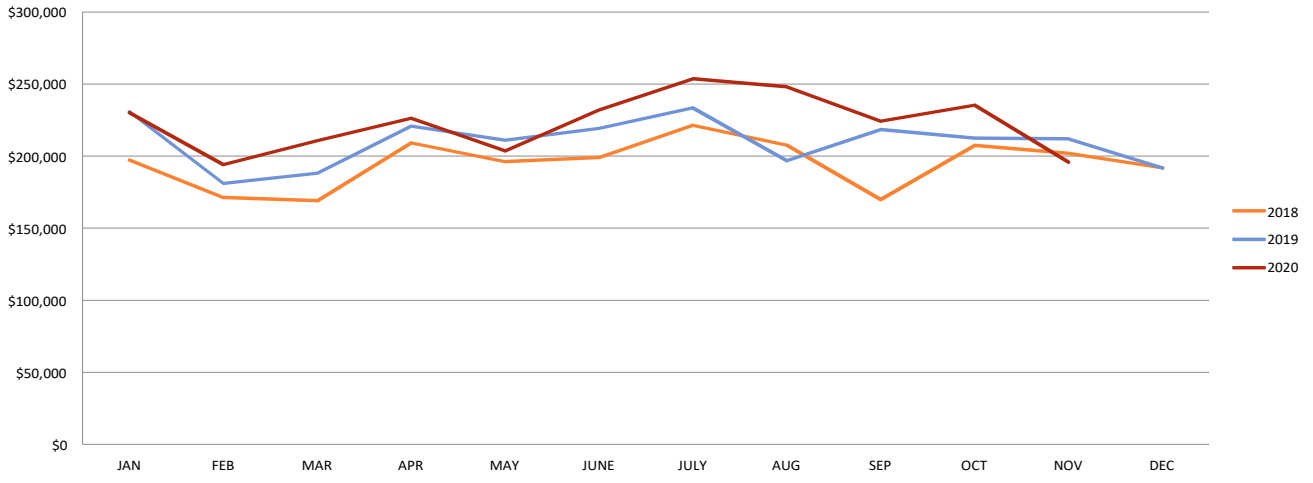
Taxes Receivable (Net) \$ 780,711

Reconciliation with revenues:

Ad valorem taxes - General Fund	\$ 8,313,844
Reconciling items:	
Prepaid taxes recognized in the current year	(59,843)
Interest and penalties	(112,129)
Discounts	61,936
Refunds, DMV Fees	62,531
Taxes written off	<u>38,978</u>
Total Collections and Credits	<u>\$ 8,305,317</u>



WASHINGTON COUNTY
MONTHLY SALES & USE TAX COMPARISON
Collections Data Through November 2020 from 1/4/21 Report



MONTH	2018	2019	18-19 Diff	2020	19-20 Diff
JAN	\$197,472	\$230,869	\$33,397	\$230,262	-\$607
FEB	\$171,425	\$181,104	\$9,679	\$194,308	\$13,204
MAR	\$169,289	\$188,214	\$18,925	\$210,830	\$22,616
APR	\$209,295	\$220,915	\$11,620	\$226,419	\$5,504
MAY	\$196,379	\$211,117	\$14,738	\$203,731	-\$7,386
JUNE	\$199,168	\$219,292	\$20,124	\$232,298	\$13,006
JULY	\$221,611	\$233,602	\$11,991	\$253,861	\$20,259
AUG	\$207,740	\$196,887	-\$10,853	\$248,156	\$51,269
SEP	\$170,071	\$218,380	\$48,309	\$224,524	\$6,144
OCT	\$207,508	\$212,492	\$4,984	\$235,694	\$23,202
NOV	\$201,953	\$211,975	\$10,022	\$196,170	-\$15,805
DEC	\$191,990	\$191,846	-\$144		
Total CY	\$2,343,901	\$2,516,693	\$172,792	\$2,456,253	\$131,406

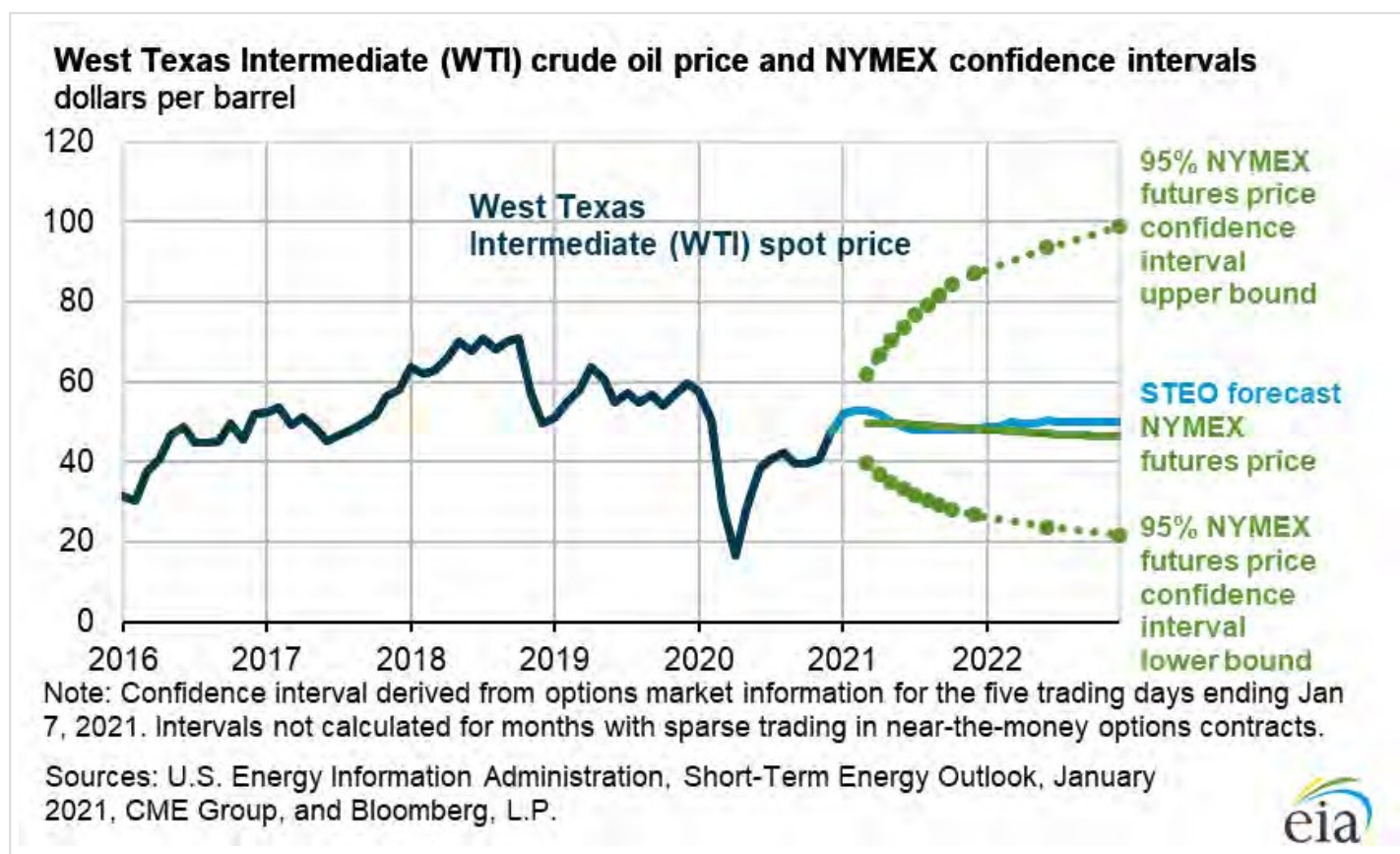
Short-Term Energy Outlook

Release Date: January 12, 2021 | **Forecast Completed:** January 7, 2021 | **Next Release Date:** February 9, 2021

Prices

Crude Oil Prices. Brent crude oil prices traded within a wide range during 2020. After averaging \$64/b in January 2020, Brent prices fell to an average of \$18/b in April, the lowest monthly average price in real terms since February 1999. The low prices were the result of significant declines in oil consumption that caused a sharp rise in global oil inventories. However, Brent prices increased through much of the rest of 2020 because rising oil demand and reduced production caused global oil inventories to fall. Brent prices rose to a monthly average of \$50/b in December in part because of expectations of future economic recovery based on continued news about the viability of multiple COVID-19 vaccines. Brent prices in early January reached their highest levels in 10 months after Saudi Arabia announced a one-month unilateral cut to its crude oil production for February that is in addition to its OPEC+ commitments.

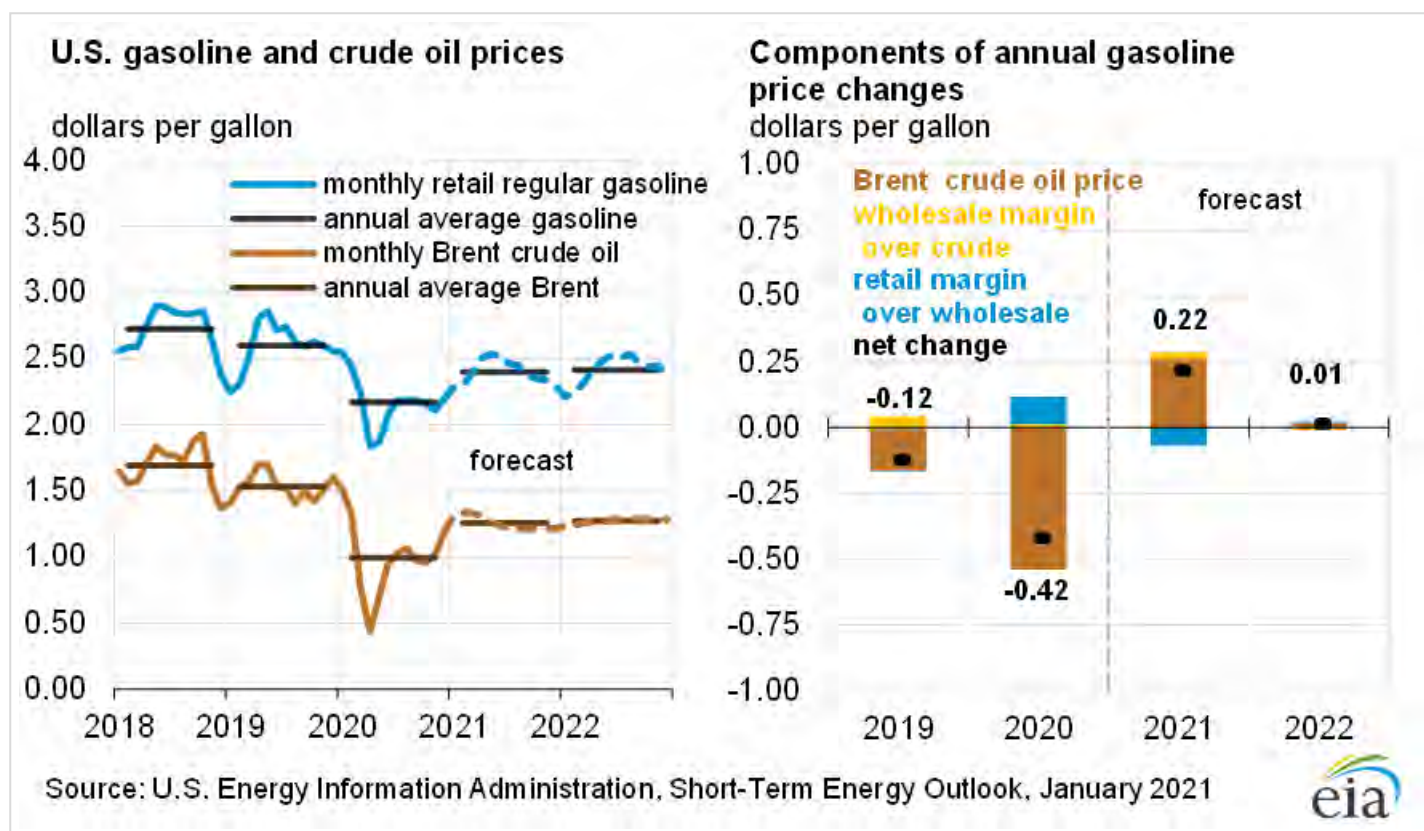
EIA expects Brent crude oil prices to average \$53/b in both 2021 and 2022. Saudi Arabia's unilateral cut means global oil market balances will be tighter in early 2021 than EIA had previously expected. EIA expects global oil inventories will fall by 2.3 million b/d in the first quarter of 2021, which EIA expects will contribute to Brent prices averaging \$56/b.



Despite rising forecast oil prices in early 2021, EIA still expects upward price pressures to be limited through the forecast period because of high global oil inventory levels and surplus crude oil production capacity. EIA expects moderate downward oil price pressures to emerge beginning the second quarter of 2021, when global oil production is forecast to rise and cause inventories to draw at a slower pace. Brent spot prices are forecast to average \$51/b during the second half of 2021. Upward price pressures reemerge in the forecast during 2022 as a result of global oil inventory draws accelerating compared with the second half of 2021.

Global economic developments and numerous uncertainties surrounding the ongoing COVID-19 pandemic in the coming months could push oil prices higher or lower than EIA's current price forecast. This price path reflects global oil consumption increasing by 6% from 2020 levels to reach an average of 97.8 million b/d in 2021 and by an additional 3% in 2022. But this forecast is dependent on the rate at which populations are vaccinated and the way in which oil consumption behavior changes once populations are widely vaccinated. The duration of, and adherence to, the latest targeted OPEC+ production cuts also remains uncertain. Lastly, the degree to which the U.S. shale industry responds to the recent relative strength in oil prices compared with their recent lows in April will affect the oil price path in the coming quarters.

EIA forecasts West Texas Intermediate (WTI) crude oil prices will average about \$3/b less than Brent prices in 2021 and \$4/b less than Brent prices in 2022. This price discount is based on EIA's assumption that the current reduced discount of WTI to Brent of \$2/b on average in the second half of 2020 reflects significant declines in U.S. crude oil production and reduced available volumes of U.S. crude oil for export to distant markets relative to other global benchmarks. As the global market adjusts to reduced demand and production levels, EIA expects the spread to return to \$4/b by the second half of 2022 based on the relative cost of exporting U.S. crude oil from the Cushing distribution hub to Asia, compared with the cost of exporting Brent crude oil from the North Sea to Asia.

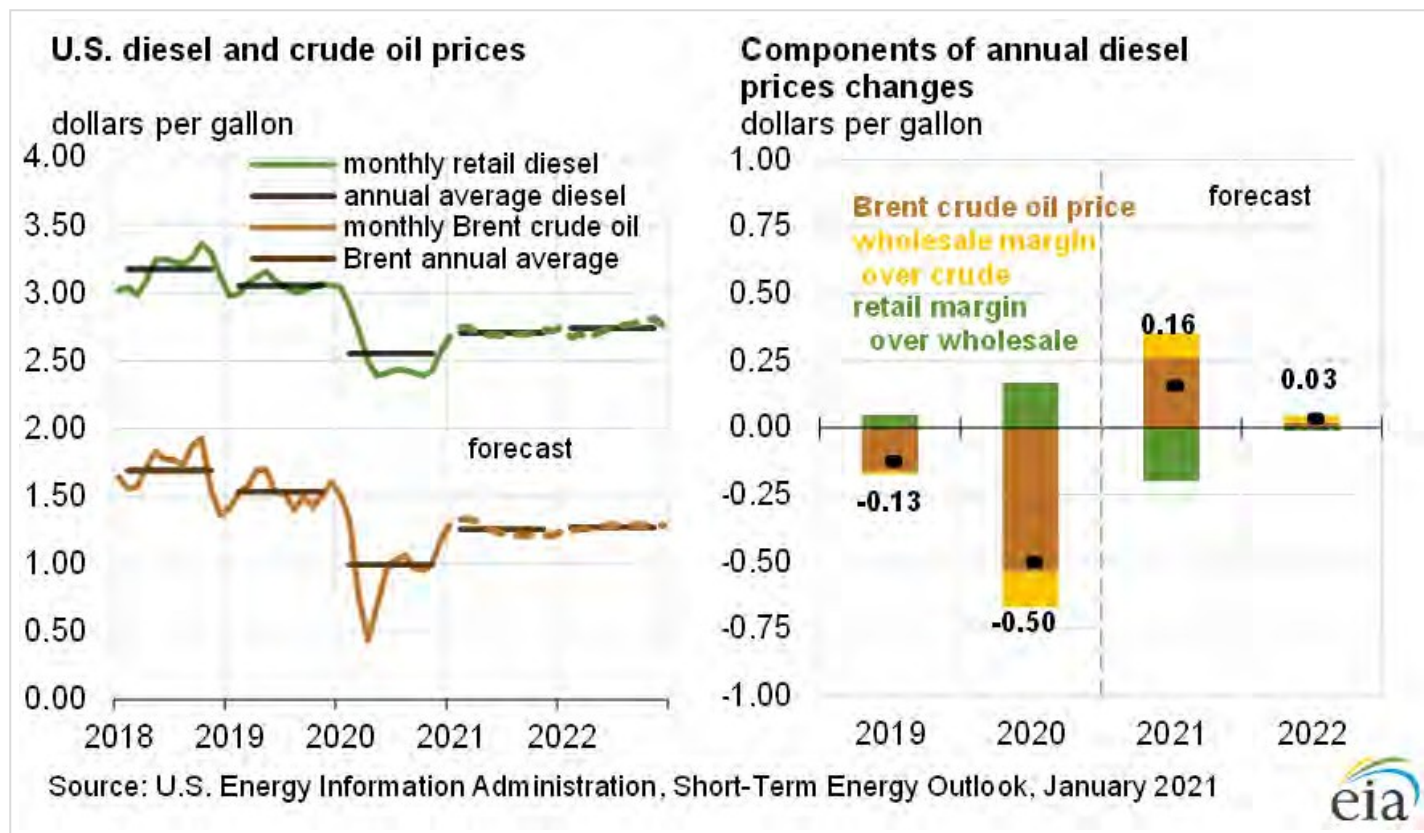


U.S. Petroleum Product Prices. Changes in travel patterns because of COVID-19- resulted in significant reductions in crude oil prices and demand for liquid fuels in the United States during 2020, which significantly reduced prices for gasoline and diesel fuel during the same period. U.S. retail prices for regular-grade gasoline averaged \$2.18 per gallon (gal) during 2020, and retail diesel prices averaged \$2.55/gal, down about 42 cents/gal and 50 cents/gal from their respective 2019 averages.

The U.S. gasoline and diesel price declines largely reflect a drop in crude oil prices. Refinery margins, which fell significantly as gasoline and diesel demand fell quickly in March and April, returned to levels within their normal seasonal ranges in the fourth quarter of 2020. During the same quarter, refiners reduced runs and inventory levels for gasoline and diesel fuel largely returned within their previous five-year ranges. EIA expects that any changes in petroleum product prices will largely follow movements in crude oil prices over the STEO forecast period as overall inventory levels remain above the five-year average and upward price pressures related to demand remain limited.

The U.S. refinery wholesale gasoline margin (the difference between the wholesale price of gasoline and the price of Brent crude oil) averaged 21 cents/gal in April 2020, increased to an average of 35 cents/gal in the third quarter of 2020, and fell back to 28 cents/gal in the fourth quarter. Third and fourth quarter margins both fell within normal recent five-year seasonal ranges. EIA expects the U.S. refinery

wholesale gasoline margin will average 36 cents/gal in 2021 and 35 cents/gal in 2022, compared with a five-year (2016–20) average of 35 cents/gal.



EIA expects the retail price of regular gasoline in the United States will average \$2.33/gal during the first quarter of 2021, 9 cents/gal lower than at the same time last year. EIA expects the U.S. monthly regular retail gasoline price will increase from an average of \$2.28/gal in January 2021 to an annual peak of \$2.53/gal in May before falling to \$2.29/gal in December 2021. The U.S. regular gasoline retail price, which averaged \$2.18/gal in 2020, is forecast to average \$2.40/gal in 2021 and \$2.42/gal in 2022. Regional annual average forecast prices for 2021 range from a low of \$2.10/gal in the Gulf Coast region—[Petroleum Administration for Defense District \(PADD\) 3](#)—to a high of \$3.10/gal in the West Coast region (PADD 5).

The retail price of diesel fuel in the United States averaged \$2.55/gal in 2020, which was 50 cents/gal lower than in 2019. EIA forecasts that the diesel price will average \$2.71/gal in 2021 and \$2.74/gal in 2022. EIA expects that global economic activity returning to pre-pandemic levels will help drive diesel refinery margins higher than their multiyear lows in 2020 during the forecast period. Diesel refinery margins based on Brent crude oil averaged 30 cents/gal in 2020, which was 11 cents/gal lower than the 2015–19 average and the lowest annual average since 2009. EIA expects diesel refinery margins will average 39 cents/gal in 2021 and 42 cents/gal in 2022.

Natural Gas Prices. Henry Hub spot prices averaged \$2.03/MMBtu in 2020. Natural gas prices fell through much of 2020 because of sharp declines in LNG exports and industrial-sector natural gas consumption outpaced declines in production and contributed to inventories building at a faster rate than the five-year average.

Although Henry Hub spot prices rose late in 2020 to average \$2.59/MMBtu in December, a warm early winter moderated price increases. EIA expects the average spot price of natural gas to increase to \$3.01/MMBtu in the first quarter of 2021. The price forecast is based on expectations of slightly cooler-than-normal weather in the first quarter. However, the fourth quarter of 2020 was warmer than average. If warmer-than-average weather persists in the second half of winter, it could contribute to downward pressure on natural gas spot prices in the January–March period. In 2021, EIA expects general upward price pressures amid relatively low natural gas production, meaning higher prices will be needed in order to increase production and balance the supply and demand of natural gas. EIA forecasts the spot prices to average \$3.01/MMBtu in 2021, up 98 cents/MMBtu from 2020, and increase further to an average of \$3.27/MMBtu in 2022.

Coal Prices. EIA estimates the delivered coal price to U.S. electricity generators averaged \$1.94 per million British thermal units (MMBtu) in 2020, which was 8 cents/MMBtu lower than the 2019 price. EIA forecasts that coal prices will increase to \$2.06/MMBtu in 2021 and \$2.07 in 2022.

Henry Hub natural gas price and NYMEX confidence intervals

dollars per million Btu



Note: Confidence interval derived from options market information for the five trading days ending Jan 7, 2021. Intervals not calculated for months with sparse trading in near-the-money options contracts.

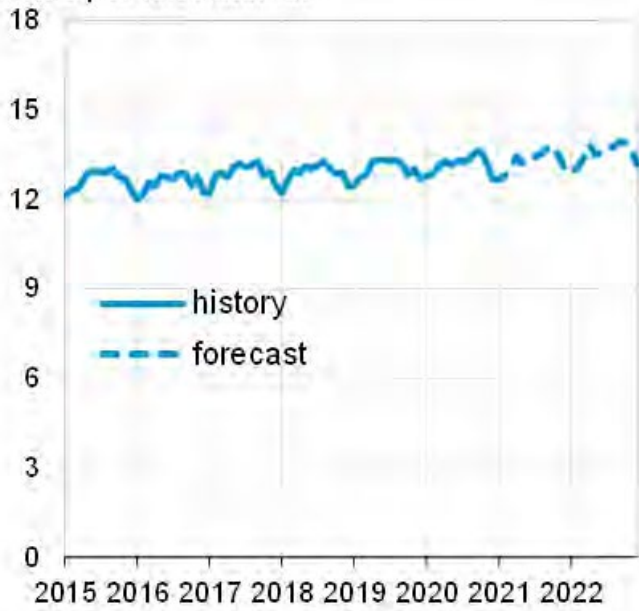
Sources: U.S. Energy Information Administration, Short-Term Energy Outlook, January 2021, and CME Group



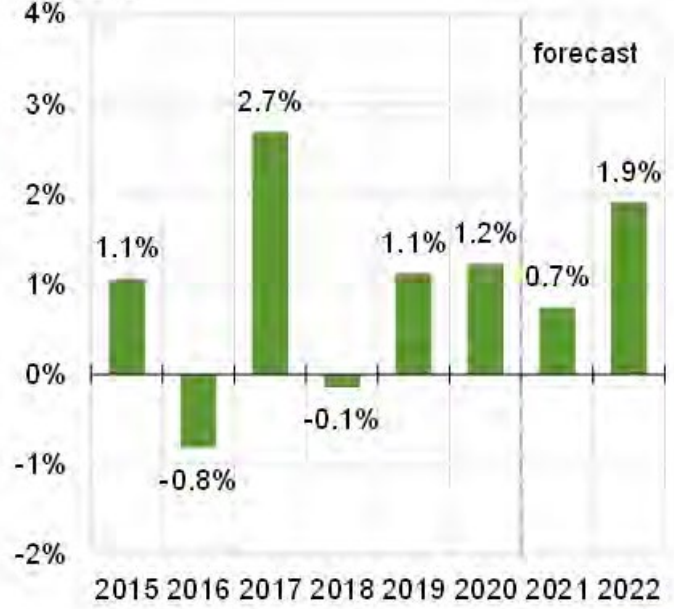
Electricity Prices. EIA expects wholesale electricity prices in many areas of the country in 2020 will be higher than last year, reflecting the increased cost of natural gas for power generation. EIA forecasts that annual average wholesale prices in New England will rise 43% this year primarily as a result of expected colder winter weather that contributes to rising natural gas prices. However, in California, forecast wholesale electricity prices in 2021 average 8.1% lower than last year, primarily reflecting fewer spikes in prices related to hot summer weather as happened in 2020.

EIA forecasts the U.S. retail electricity price for the residential sector will average 13.3 cents/kWh in 2021, which is 1.2% higher than the average retail price in 2020. Forecast residential prices increase by an additional 1.2% in 2022.

U.S. monthly residential electricity price
cents per kilowatthour



Annual growth in residential electricity prices
percent



Source: U.S. Energy Information Administration, Short-Term Energy Outlook, January 2021



WASHINGTON COUNTY
Schedule of Changes in the County's Net Pension Liability and Related Ratios
Hospital Employee's Pension Fund

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Total pension liability								
Interest on total pension liability	\$ 176,272	\$ 168,692	\$ 152,817	\$ 155,151	\$ 170,440	\$ (5,142)	\$ 361,544	\$ 93,162
Assumption changes	877,648	731,966	(390,245)	-	1,206,409	-	-	-
Benefit payments, including refunds of employee contributions	(311,979)	(259,077)	(240,197)	(244,897)	-	-	-	-
Differences between expected and actual experience	94,630	62,128	(5,590)	13,300	18,685	-	-	-
Net change in total pension liability	836,571	703,709	(483,215)	(76,446)	1,395,534	(5,142)	361,544	93,162
Total pension liability - beginning			5,190,983	4,487,274	4,970,489	5,046,935	3,651,401	3,656,543
Total pension liability - ending (a)	<u>\$6,027,554</u>	<u>\$5,190,983</u>	<u>\$4,487,274</u>	<u>\$4,970,489</u>	<u>\$5,046,935</u>	<u>\$3,651,401</u>	<u>\$3,656,543</u>	<u>\$3,294,999</u>
Plan fiduciary net position								
Contributions - employer	\$ 330,192	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ 61,142
Net investment income	62	-	-	17,875	53,517	(12,484)	89,132	139,082
Benefit payments, including refunds of employee contributions	(311,979)	(259,077)	(240,197)	(244,897)	(235,999)	(223,043)	(212,932)	(178,194)
Administrative expenses	-	-	-	(1,502)	(15,912)	(20,289)	(23,795)	(21,934)
Net change in plan fiduciary net position	18,275	(259,077)	(240,197)	(228,524)	(198,394)	(255,816)	(47,595)	96
Plan fiduciary net position - beginning	75,706	334,783	574,980	803,504	1,001,898	1,257,714	1,305,309	1,305,213
Plan fiduciary net position - ending (b)	<u>\$ 93,981</u>	<u>\$ 75,706</u>	<u>\$ 334,783</u>	<u>\$ 574,980</u>	<u>\$ 803,504</u>	<u>\$1,001,898</u>	<u>\$1,257,714</u>	<u>\$1,305,309</u>
County's net pension liability - ending (a) - (b)	\$5,933,573	\$5,115,277	\$4,152,491	\$4,395,509	\$4,243,431	\$2,649,503	\$2,398,829	\$1,989,690
Plan fiduciary net position as a percentage of the total pension liability	1.56%	1.46%	7.46%	11.57%	15.92%	27.44%	34.40%	39.61%
Covered payroll	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
County's net pension liability as a percentage of covered payroll	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Washington County						
FINANCIAL INFORMATION FOR 5 YEARS						
		2020	2019	2018	2017	2016
Total Fund Balance - General Fund		8,293,894	7,725,820	6,476,619	5,927,952	4,962,671
Unavailable Fund Balance - GF (Restricted for State Statute, Inventories, Prepaids)		1,203,854	2,278,430	1,234,320	1,984,708	1,518,210
Restricted, Committed, and Assigned Fund Balance (Previously Designated and Reserved Fund Balance)		1,643,420	1,558,205	1,235,026	1,162,788	1,359,624
General Fund Expenditures (including Transfers out)		14,086,611	13,101,560	13,268,139	13,925,484	16,607,760
Fund Balance Available as % of General Fund Expenditures		50.33%	41.58%	39.51%	28.32%	20.74%
Unassigned Fund Balance (Previously Unreserved and Undesignated Fund Balance)		5,446,620	3,889,185	4,007,273	2,780,456	2,084,837
Unassigned Fund Balance as % of General Fund Expenditures (including Transfers out)		38.67%	29.68%	30.20%	19.97%	12.55%
Revenues over (under) expenditures before other financing sources						
	General Fund	1,189,090	1,897,923	1,652,540	1,763,388	1,110,039
	Airport Grant Fund	-	4,680	(4,680)	3,203	42,638
	Emergency Medical Services Fund	(375,387)	(804,992)	(409,136)	(407,011)	(169,857)
	Sanitation Fund	(70,459)	(9,337)	(20,823)	(132,672)	(929,305)
	Water Fund	275,967	225,334	72,883	160,176	416,848
Cash vs. Accumulated Depreciation - Water Fund						
	Total Fixed Assets	11,533,637	11,533,637	11,517,687	11,505,387	11,451,225
	Accumulated Depreciation	5,285,780	5,029,805	4,768,435	4,500,954	4,236,250
	Cash	1,009,398	1,686,499	600,899	1,733,096	1,196,935
Cash vs. Accumulated Depreciation - Sanitation Fund						
	Total Fixed Assets	682,975	682,975	682,975	682,975	682,975
	Accumulated Depreciation	338,986	332,639	313,941	285,599	260,637
	Cash	1,014,861	1,018,509	712,701	352	698,872
Cash vs. Fund Balance (Net Position)						
	Cash - General	9,522,502	6,867,139	7,247,045	1,645,624	3,619,934
	Cash - Airport Grant Fund	-	-	-	-	294,299
	Cash - Emergency Medical Services Fund	235,782	505,058	439,891	518,442	639,772
	Cash - Sanitation Fund	1,014,861	1,018,509	712,701	352	698,872
	Cash - Water Fund	1,009,398	1,686,499	600,899	1,733,096	1,196,935
	Cash - Other Governmental	730,835	738,812	750,475	271,485	984,768
	Fund Balance - General	8,293,894	7,725,820	6,476,619	5,927,952	4,962,671
	Fund Balance - Airport Grant Fund	347,503	347,503	347,503	350,706	297,502
	Fund Balance - Emergency Medical Service Fund	493,159	341,089	577,487	471,052	309,647
	Net Position - Sanitation Fund	(498,697)	(458,238)	(448,901)	(859,240)	(693,385)
	Net Position - Water Fund	2,742,299	2,466,332	2,240,998	3,113,861	3,056,579
	Fund Balance - Other Governmental Funds	2,132,156	1,732,723	2,143,660	1,599,174	981,365
Property Tax Rates		0.845	0.845	0.845	0.810	0.790
Collection Percentages		95.71%	95.84%	95.58%	95.61%	95.97%
Collection Percentages (excluding Motor Vehicle)		95.23%	95.39%	95.08%	95.12%	95.50%
Total Property Valuation		1,021,442,963	1,035,341,482	936,853,255	933,977,871	908,233,389
Total Levy Amount		8,273,688	8,386,266	7,916,410	7,597,191	7,182,538
Breakdown of Debt (Excl Compensated Absences & OPEB)						
	Governmental - Installment Purchase (Direct Placement)	234,122	352,254	517,924	454,876	460,985
	Business-type - Revenue Bonds	3,573,567	3,781,884	3,982,400	4,175,409	4,361,191
	Business-type - Notes Payable (Direct Borrowing)	391,894	419,887	447,880	475,872	503,864
		4,199,583	4,554,025	4,948,204	5,106,157	5,326,040
Breakdown of General Fund Revenues						
	Ad Valorem Taxes	8,313,844	8,444,161	7,833,819	7,633,899	7,551,559
	Other Taxes, License & Permits	2,326,057	2,091,579	2,114,734	2,526,603	2,120,412
	Intergovernmental Revenue	3,445,361	3,119,701	3,336,174	3,979,966	3,978,160
	Sales and Services	304,367	488,203	491,111	428,115	449,114
	Investment Earnings	92,284	153,471	67,105	18,597	7,819
	Miscellaneous	172,772	53,644	29,569	134,508	97,911
	Total	14,654,685	14,350,759	13,872,512	14,721,688	14,204,975
Breakdown of General Fund Expenditures						
	General Government	2,952,196	2,297,423	2,073,052	2,172,473	2,308,618
	Public Safety	3,693,340	3,606,534	3,459,612	3,453,097	3,245,556
	Economic and Physical Development	187,796	161,480	157,281	157,431	250,329
	Human Services	4,069,048	4,072,986	4,120,759	4,568,363	4,635,873
	Cultural & Recreational	523,981	526,334	505,696	688,282	319,480
	Education	1,984,881	1,723,000	1,816,761	1,812,563	2,160,827
	Debt Service	54,353	65,079	86,811	106,091	174,253
	Total	13,465,595	12,452,836	12,219,972	12,958,300	13,094,936

North Carolina Financial Condition Analysis

Key: Washington County

■ Benchmark —

Benchmark peers selected:

Bertie County, Chowan County, Martin County, Beaufort County, Tyrrell County

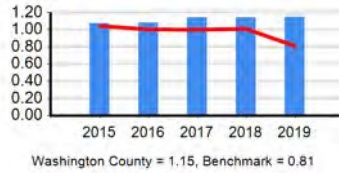
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General Fund

Resource Flow

Service Obligation

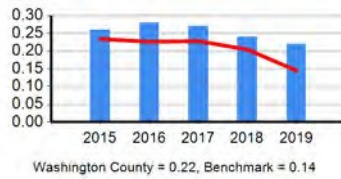
Operations ratio



Service obligation measures whether or not a government's annual revenues were sufficient to pay for annual operations. The operations ratio is calculated as total revenues divided by total expenditures (plus transfers to debt service fund).

Dependency

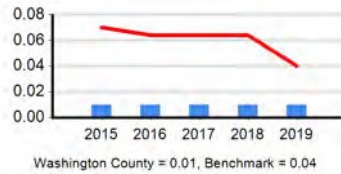
Intergovernmental ratio



Dependency measures the extent to which a government relies on other governments for resources. The intergovernmental ratio is calculated as total intergovernmental revenue divided by total revenue.

Financing Obligation

Debt service ratio

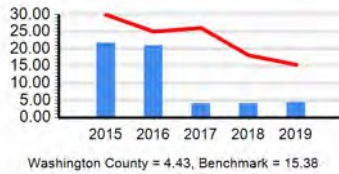


Financing obligation addresses service flexibility or the amount of expenditures committed to annual debt service. The debt service ratio is calculated as debt service divided by total expenditures (plus transfers to debt service fund).

Resource Stock

Liquidity

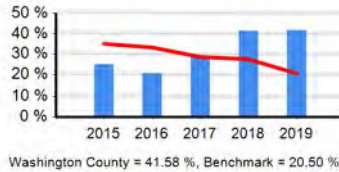
Quick ratio



Liquidity measures a government's ability to meet its short-term obligations. The quick ratio is calculated as cash & investments divided by current liabilities.

Solvency

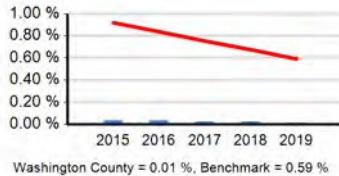
Fund balance available as percentage of expenditures



Solvency measures a government's ability to meet long-term obligations. Fund balance as a percentage of expenditures is calculated as available fund balance divided by expenditures plus transfers out.

Leverage

Debt as percentage of assessed value



Leverage measures the extent to which a government relies on tax-supported debt. The ratio of debt as a percentage of assessed value is calculated as tax-supported, long-term debt divided by assessed value.

[Selected Unit]

Washington County			2015	2016	2017	2018	2019
<u>Dimension</u>	<u>Indicator</u>	<u>Elements</u>					
Service Obligation	Operations Ratio		1.07	1.08	1.14	1.14	1.15
		Total Revenues	13,682,218	14,204,975	14,721,688	13,872,512	14,350,759
		Total Expenditures	12,792,630	13,094,936	12,958,300	12,219,972	12,452,836
Dependency	Intergovernmental Ratio		0.26	0.28	0.27	0.24	0.22
		Total Intergovernmental Revenue	3,603,896	3,978,160	3,979,966	3,336,174	3,119,701
		Total Revenue	13,682,218	14,204,975	14,721,688	13,872,512	14,350,759
Financing Obligation	Debt Service Ratio		0.01	0.01	0.01	0.01	0.01
		Debt Service	176,459	174,253	106,091	86,811	65,079
		Total Expenditures	12,792,630	13,094,936	12,958,300	12,219,972	12,452,836
Liquidity	Quick Ratio		21.74	20.99	4.14	4.12	4.43
		Cash & Investments	3,311,235	2,798,178	3,879,413	7,026,070	5,943,746
		Current Liabilities (not including Deferred Revenue)	152,324	133,308	937,170	1,707,180	1,342,174
Solvency	Fund Balance Available as a Percentage of Expenditures	Dept. of State Treasurer Calculation	25.05	20.74	28.32	41.18	41.58
Leverage	Debt as a Percentage of Assessed Value		0.03	0.03	0.02	0.02	0.01
		Tax-Supported, Long-Term Debt	300,000	250,000	200,000	150,000	100,000
		Assessed Value	886,033,030	902,034,760	923,329,292	923,350,801	987,535,101

North Carolina Financial Condition Analysis

Key: Washington County

Benchmark

Benchmark peers selected:

Beaufort County, Chowan County, Martin County, Tyrrell County, Bertie County

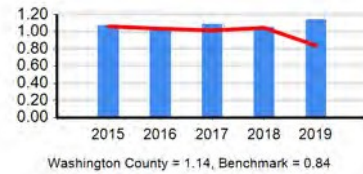
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Governmental Activities

Resource Flow

Interperiod Equity

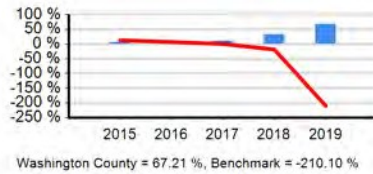
Total margin ratio



Interperiod equity measures whether or not a local government lived within its financial means. The total margin ratio - total financial resources divided by total financial obligations - is used to analyze this dimension of resource flow.

Financial Performance

Percent change in net position



Financial performance shows how much a government's financial position improved or deteriorated as a result of resource flow. The percent change in net position is calculated as the change in net position divided by net position, beginning.

Self-Sufficiency

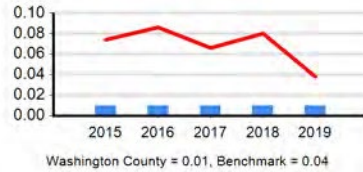
Charge-to-expense ratio



Self-sufficiency addresses the extent to which charges for services covered total expenses. The charge-to-expense ratio is calculated as charges for services divided by total expenses.

Financing Obligation

Debt service ratio

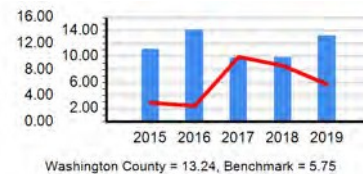


Financing obligation looks at service flexibility by determining the amount of total expenses committed to annual debt service. The debt service ratio is calculated as annual debt service divided by total expenses.

Resource Stock

Liquidity

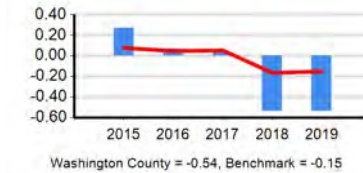
Quick ratio



Liquidity measures a government's ability to meet its short-term obligations. The quick ratio—cash & investments divided by current liabilities—is used to analyze this dimension of resource stock.

Solvency

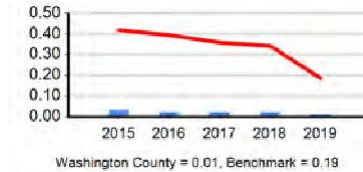
Net position ratio



Solvency measures a government's ability to meet long-term obligations. The net position ratio is calculated as unrestricted net position divided by total liabilities.

Leverage

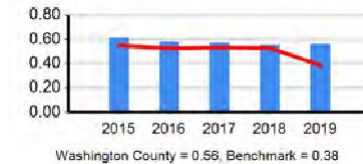
Debt-to-assets ratio



Leverage measures the extent to which total assets are financed with long-term debt. The debt-to-assets ratio is calculated as long-term debt divided by total assets.

Capital

Capital-assets-condition ratio



Capital is the condition of capital assets as defined by their remaining useful life. The capital assets condition ratio is calculated as accumulated depreciation divided by capital assets being depreciated. This result is then subtracted from one.

[Selected Unit]

Washington County			2015	2016	2017	2018	2019
Dimension	Indicator	Elements					
Interperiod Equity	Margin Ratio		1.07	1.05	1.09	1.05	1.14
		Total Resource Inflow	16,544,884	16,749,498	17,504,770	16,866,120	17,873,238
		Total Resource Outflow	15,486,286	15,952,953	15,990,079	16,066,199	15,684,292
Financial Performance	Percent Change in Net Position		7.04	5.72	10.31	32.56	67.21
		Change in Net Position	1,058,598	796,545	1,514,691	799,921	2,188,946
		Net Position, Beginning	15,045,260	13,919,670	14,688,382	2,456,749	3,256,670
Self-Sufficiency	Charge-to-Expense Ratio		0.15	0.13	0.13	0.14	0.16
		Charges for Services	2,368,705	2,078,554	2,083,925	2,227,708	2,454,414
		Total Expenses	15,486,286	15,952,953	15,990,079	16,066,199	15,684,292
Financing Obligation	Debt Service Ratio		0.01	0.01	0.01	0.01	0.01
		Debt Service	189,676	187,471	160,888	164,368	179,049
		Total Expenses plus Principal	15,648,036	16,118,309	16,134,814	16,209,904	15,849,962
Liquidity	Quick Ratio		11.14	14.08	9.73	9.86	13.24
		Cash & Investments	4,064,647	4,422,718	5,148,123	8,216,436	7,187,616
		Current Liabilities (not including Deferred Revenue)	364,775	314,191	529,231	833,601	542,747
Solvency	Net Position Ratio		0.27	0.07	0.03	(0.54)	(0.54)
		Unrestricted Net Position	741,185	289,560	220,572	(11,730,992)	(11,228,978)
		Total Liabilities	2,696,031	4,425,745	7,386,616	21,607,259	20,861,639
Leverage	Debt-to-Assets Ratio		0.03	0.02	0.02	0.02	0.01
		Long-Term Debt	626,341	460,985	454,876	517,924	352,254
		Total Assets	18,799,889	19,141,960	23,589,689	24,863,929	26,307,255
Capital	Capital-Assets-Condition Ratio		0.61	0.58	0.57	0.55	0.56
		Accumulated Depreciation	5,810,651	6,311,008	6,695,051	7,277,542	7,596,789
		Capital Assets being Depreciated	14,777,490	15,205,208	15,669,028	15,998,808	17,293,953

North Carolina Financial Condition Analysis

Key: Washington County

Benchmark

Benchmark peers selected:

Chowan County, Bertie County, Beaufort County, Martin County

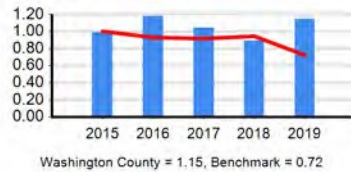
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Water and Sewer Fund

Resource Flow

Interperiod Equity

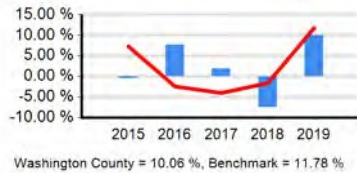
Total margin ratio



Interperiod equity measures whether or not a local government lived within its financial means. The total margin ratio - total financial resources divided by total financial obligations - is used to analyze this dimension of resource flow.

Financial Performance

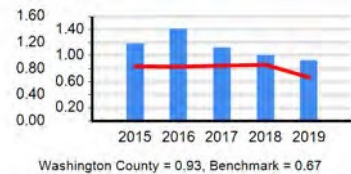
Percent change in net position



Financial performance shows how much a government's financial position improved or deteriorated as a result of resource flow. The percent change in net position is calculated as the change in net position divided by net position, beginning.

Self-Sufficiency

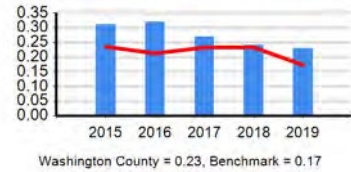
Charge-to-expense ratio



Self-sufficiency addresses the extent to which charges for services covered total expenses. The charge-to-expense ratio is calculated as charges for services divided by total expenses.

Financing Obligation

Debt service ratio

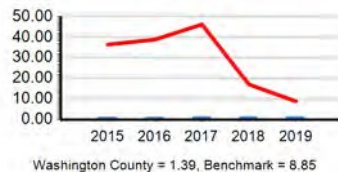


Financing obligation looks at service flexibility by determining the amount of total expenses committed to annual debt service. The debt service ratio is calculated as annual debt service divided by total expenses.

Resource Stock

Liquidity

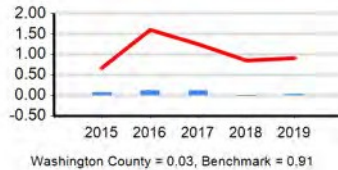
Quick ratio



Liquidity measures a government's ability to meet its short-term obligations. The quick ratio—cash & investments divided by current liabilities—is used to analyze this dimension of resource stock.

Solvency

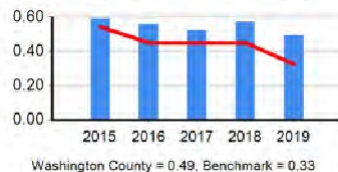
Net position ratio



Solvency measures a government's ability to meet long-term obligations. The net position ratio is calculated as unrestricted net position divided by total liabilities.

Leverage

Debt-to-assets ratio



Leverage measures the extent to which total assets are financed with long-term debt. The debt-to-assets ratio is calculated as long-term debt divided by total assets.

Capital

Capital-assets-condition ratio



Capital is the condition of capital assets as defined by their remaining useful life. The capital assets condition ratio is calculated as accumulated depreciation divided by capital assets being depreciated. This result is then subtracted from one.

[Selected Unit]

Washington County			2015	2016	2017	2018	2019
<u>Dimension</u>	<u>Indicator</u>	<u>Elements</u>					
Interperiod Equity	Margin Ratio		0.99	1.18	1.04	0.89	1.15
		Total Resource Inflow	1,227,998	1,415,619	1,354,147	1,434,917	1,686,672
		Total Resource Outflow	1,241,204	1,198,771	1,296,865	1,619,092	1,461,338
Financial Performance	Percent Change in Net Position		(0.46)	7.64	1.87	(7.59)	10.06
		Change in Net Position	(13,206)	216,848	57,282	(184,175)	225,334
		Net Position, Beginning	2,852,937	2,839,731	3,056,579	2,425,173	2,240,998
Self-Sufficiency	Charge-to-Expense Ratio		1.18	1.41	1.12	1.00	0.93
		Charges for Services	1,223,728	1,411,892	1,338,910	1,366,993	1,361,634
		Total Expenses	1,041,204	998,771	1,193,971	1,362,034	1,461,338
Financing Obligation	Debt Service Ratio		0.31	0.32	0.27	0.24	0.23
		Debt Service	384,123	382,726	383,424	382,799	382,203
		Total Expenses plus Principal	1,242,024	1,204,890	1,407,745	1,583,035	1,689,847
Liquidity	Quick Ratio		1.06	1.23	1.34	1.47	1.39
		Cash & Investments	835,872	1,071,845	1,549,216	600,899	1,541,136
		Current Liabilities (not including Deferred Revenue)	787,566	873,332	1,155,472	408,403	1,109,730
Solvency	Net Position Ratio		0.08	0.13	0.13	(0.01)	0.03
		Unrestricted Net Position	449,344	706,659	760,709	(77,974)	164,271
		Total Liabilities	5,684,034	5,566,360	5,848,214	5,475,723	6,079,698
Leverage	Debt-to-Assets Ratio		0.59	0.56	0.52	0.57	0.49
		Long-Term Debt	5,071,174	4,865,055	4,651,281	4,430,280	4,201,771
		Total Assets	8,523,765	8,622,939	8,962,075	7,716,721	8,546,030
Capital	Capital-Assets-Condition Ratio		0.65	0.63	0.61	0.58	0.56
		Accumulated Depreciation	3,976,232	4,236,250	4,500,954	4,768,435	5,029,805
		Capital Assets being Depreciated	11,401,929	11,415,361	11,469,523	11,481,823	11,497,773

Rate Sheet Produced by the EFC Rate Sheet Generator

Summary information about the most common water/wastewater/irrigation rates being charged to residential and commercial customers. Additional rates may apply.

Rates as of January 2020. Current rates may be different.

Utility Rate Sheet: **Washington County**

Utility: Washington County

Rate Sheet Year: 2020

Rates Last Changed:

7/1/2015

Rates shown in this document:

Note: "Commercial" rates may also be applicable to other non-residential users.

Rate Sheet Components		"Inside" Town Limits Rate Structure	"Outside" Town Limits Rate Structure
Water - Indoors	Residential Rate Structure	Yes	Same As Inside
	Commercial Rate Structure	Same As Residential	Same As Residential
Water - Outdoors (Irrigation)	Residential Rate Structure	Same As Indoors	Same As Indoors
	Commercial Rate Structure	Same As Indoors	Same As Indoors
Wastewater	Residential Rate Structure	No Wastewater Service	No Wastewater Service
	Commercial Rate Structure	No Wastewater Service	No Wastewater Service

In addition, are there unique rates for the following (not shown in this document)?

Multi-Family Residential Rates	No
Industrial Rates (Not Commercial)	No
Institutional/Governmental Rates	No
Bulk or Wholesale Rates	No
Fire/Hydrant Rates	Yes
Water Shortage Rates (e.g.: Drought Surcharges)	No
Reuse/Reclaim Water Rates	No
Custom Rates for Individual Large-User Customer	No

See the next page for rate sheet information

Rates as of January 2020. Current rates may be different.

Utility Rate Sheet: **Washington County**

Rate Sheet Component 1 of 1:

**WATER RATES, INDOORS AND OUTDOORS
For Residential and Commercial Customers**

Base Charge: *Monthly*
Includes consumption of the first 2000 gallons, monthly

3/4 inch meter:	\$24.00
1 inch meter:	\$36.00
1.5 inch meter:	\$61.00
2 inch meter:	\$99.00
3 inch meter:	\$169.00
4 inch meter:	\$247.00
6 inch meter:	\$486.00
8 inch meter:	\$726.00

Rates: *Uniform Rate*
\$13.00 per 1000 gallons over 2000 gallons monthly

Budget Balancing Strategies: Guiding your government in challenging times

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Source: Balancing the Budget in Bad Times, by Shayne C. Kavanugh; GFR August 2020

Dealing with Economic Uncertainty



Dealing with Economic Uncertainty

Who can predict the future?

- Record breaking 10+ year expansion 2009-2020
- Recession caused by COVID-19 pandemic in 2020
- Strong, but uneven expansion late in 2020
- Uncertainties of 2021
 - Double-dip recession?
 - Continued expansion?
 - Inflation?

Goals for Today

Today we will review...

1. Decision-Making Environment for Budget Reduction
2. Two-Part Management System for Using Budget Balancing Strategies
3. Near-Term Budgetary Strategies or Treatments

Decision-Making Environment

Decision-Making Environment for Budget Reduction

- Create a culture of frugality
 - Agree to look at all programs
 - Delay or cancel non-critical projects, purchases, and programs
 - Cut back on office equipment and vehicle replacements
 - Publicly acknowledge people in the organization who cut costs in responsible and constructive ways

Decision-Making Environment

Decision-Making Environment for Budget Reduction

- Positively frame the financial crisis
 - Show the crisis as an opportunity to break free from constraining past practices
 - Show it as an opportunity to innovate and shape the future of the organization
- Rules for leaders sharing bad news
 - Be prompt and transparent
 - Be straightforward and clear with the facts
 - Provide honest options of what is achievable

Two-Part Management System

Part 1: Securing Financial Position

- Cash flow forecasting and monitoring
- Control systems
- Sources of liquidity

Two-Part Management System

Part 2: Be Data-Driven and Results-Oriented

- Make managers manage
- Give timely, accurate, and understandable information about spending
- Help departments manage unexpected expenditures
- Inventory your programs and determine their costs
- Compile key indicators of financial condition and benchmarking data
- Formulate budget in a way that is data-driven and results-oriented

Budget Balancing Strategies

Evaluating Near-Term Budgetary Treatments

- Do we have the authority to do it?
- What is the potential benefit?
- What is the service impact?
- Is it feasible to implement?
- Will elected officials support it?

Budget Balancing Strategies

Six Near-Term Budgetary Treatments

1. Controlling Personnel Costs
2. Enhancing Purchasing Practices
3. Reviewing Ongoing Expenditures
4. Pooling Resources and Partnering
5. Better Managing Capital, Equipment, and Debt Costs
6. Enhancing Revenues

Budget Balancing Strategies

Six Near-Term Budgetary Treatments

1. Control Personnel Costs

- Vacancy control
- Monitor and limit overtime use
- Address health care costs
- Review the use of consultants and temporary staff

Budget Balancing Strategies

Six Near-Term Budgetary Treatments

2. Enhance Purchasing Practices

- Many small opportunities add up
- Improve contract management
- Improve purchasing practices



Budget Balancing Strategies

Six Near-Term Budgetary Treatments

3. Review Ongoing Expenditures

- Audit routine expenditures
- Investigate risk management practices and workers' compensation claim patterns

Budget Balancing Strategies

Six Near-Term Budgetary Treatments

4. Pooling Resources and Partnering

- Cooperate with other governments to achieve economies of scale
- Pool department resources
- Look for ways to partner with private organizations and citizens

Budget Balancing Strategies

Six Near-Term Budgetary Treatments

5. Better Manage Capital Spending, Equipment Costs, and Debt
 - Better align capital financing with project schedules
 - Use long-term capital improvement planning to make better near-term decisions
 - Develop an equipment replacement schedule
 - Improve fleet management
 - Review refinancing opportunities at lower rates

Budget Balancing Strategies

Six Near-Term Budgetary Treatments

6. Enhancing Revenues

- Obtain federal and state aid
- Examine fees for services
- New taxes with a strong connection to a desired service
- Improve billing and collection methods
- Audit tax revenue sources

Budget Balancing Strategies

Five Cautionary Budget Treatments

1. Control Personnel Costs
2. Reduce Near-Term Capital, Equipment, and Debt Costs
3. Organizational Strategies
4. Sourcing Strategies
5. Enhancing Revenues



Budget Balancing Strategies

Five Cautionary Budget Treatments

1. Control Personnel Costs

- Wage freeze
- Hiring freeze
- Increase part-time labor
- Reduce hours worked and pay
- Close facilities
- Layoffs or reduction in force
- Reduce employer contributions to 401-k or OPEBs



Budget Balancing Strategies

Five Cautionary Budget Treatments

2. Reduce Near-Term Capital, Non-Capital, and Equipment Costs
 - Defer and/or cancel capital projects, maintenance, and/or replacement
 - Defer noncapital special projects
 - Use short-term debt to pay for vehicles



Budget Balancing Strategies



Five Cautionary Budget Treatments

3. Organizational Strategies

- Small and/or temporary across-the-board budget cuts
- Reorganization
- Centralize financial management and human resources activities

Budget Balancing Strategies

Five Cautionary Budget Treatments

4. Sourcing Strategies

- Outsource
- Insource
- Divest



Budget Balancing Strategies

Five Cautionary Budget Treatments

5. Enhancing Revenues

- Revisit interfund transfer policies
- Chasing higher returns on idle cash



Budget Balancing Strategies

Thank you!