

Budget Ordinance

FY 2026 OPERATING AND CAPITAL BUDGET ORDINANCE AS ADOPTED ON JUNE 16, 2025

WHEREAS, the County Budget Officer (County Manager) has heretofore submitted an annual budget for the County for the fiscal year beginning July 1, 2025, and ending June 30, 2026, and it is necessary to cover said budget; and

WHEREAS, the County Finance Officer has heretofore submitted the necessary Debt Service requirements for the County for the fiscal year beginning July 1, 2025, and ending June 30, 2026; and

WHEREAS, the Union County Board of County Commissioners has duly considered the submitted annual budget and the requests from the Union County Board of Education;

NOW, THEREFORE BE IT ORDAINED BY THE UNION COUNTY NORTH CAROLINA BOARD OF COUNTY COMMISSIONERS THAT:

Section I. The amounts aggregating \$620,330,001 for operations, debt service, and transfers are hereby appropriated subject to the conditions hereinafter set forth for the use of functions, and designated funding of the County government, and for the purposes hereinafter mentioned, as set forth in the Proposed FY 2026 Operating and Capital Budget, which is hereby incorporated by reference, for the fiscal year beginning July 1, 2025 and ending June 30, 2026, a summary of which is attached to this ordinance as "Attachment A – Fund Appropriation Unit Summary".

Section II. In accordance with the General Statutes of the State of North Carolina (NCGS) Chapter 159, the estimated revenue in support of appropriations is set forth in said Proposed FY 2026 Operating and Capital Budget, with a summary of estimated revenue in support of appropriations attached to this ordinance as "Attachment A – Fund Appropriation Unit Summary".

Section III(A). That there is hereby levied for the fiscal year beginning July 1, 2025, and ending June 30, 2026, for County Tax, the countywide rate of **.1124** tax on each one hundred dollars (\$100) valuation of taxable property situated in the County, as listed for taxes as of January 1, 2025, for the purpose of raising the revenue from current year's taxes as set forth in the foregoing countywide estimates of revenue, and in order to finance the foregoing county appropriations. The County Tax rate shall be listed separately on the tax statements.

Section III(B). That there is hereby levied for the fiscal year beginning July 1, 2025, and ending June 30, 2026, for County Debt Service Tax, the countywide rate of **.0106** tax on each one hundred dollars (\$100) valuation of taxable property situated in the County, as listed for taxes as of January 1, 2025, for the purpose of raising the revenue from current year's taxes as set forth in the foregoing countywide estimates of revenue, and in order to finance the foregoing Debt Service Requirements. The County Debt Service Tax rate shall be listed separately on the tax statements.

Section III(C). That there is hereby levied for the fiscal year beginning July 1, 2025, and ending June 30, 2026, for Education Tax, the countywide rate of **.2678** tax on each one hundred dollars (\$100) valuation of taxable property situated in the County, as listed for taxes as of January 1, 2025, for the purpose of raising the revenue from current year's taxes as set forth in the foregoing countywide estimates of revenue, and in order to finance the foregoing county appropriations. The Education County Tax rate shall be listed separately on the tax statements.

Section III(D). That there is hereby levied for the fiscal year beginning July 1, 2025, and ending June 30, 2026, for Education Debt Service Tax, the countywide rate of **.0389** tax on each one hundred dollars (\$100) valuation of taxable property situated in the County, as listed for taxes as of January 1, 2025, for the purpose of raising the revenue from current year's taxes as set forth in the foregoing countywide estimates of revenue, and in order to finance the foregoing Debt Service Requirements. The Education Debt Service Tax rate shall be listed separately on the tax statements.

Section III(E). That there is hereby levied for the fiscal year beginning July 1, 2025, and ending June 30, 2026, for Economic Development Debt Service Tax, the countywide rate of **.0045** tax on each one hundred dollars (\$100)

valuation of taxable property situated in the County, as listed for taxes as of January 1, 2025, for the purpose of raising the revenue from current year's taxes as set forth in the foregoing countywide estimates of revenue, and in order to finance the foregoing Debt Service Requirements. The Economic Development Debt Service Tax rate shall be listed separately on the tax statements.

Section IV. That there is hereby levied for the fiscal year beginning July 1, 2025, and ending June 30, 2026, the following Fire Service District tax rates, as reflected in "Attachment B – Tax Rate and Fee Schedule" on each one hundred dollars (\$100) valuation of taxable property situated in the Fire Service Districts, as listed for taxes as of January 1, 2025, for the purpose of raising the revenue from current year's taxes as set forth in the foregoing District Fund estimates of revenue, and in order to finance the foregoing Fire Service District Fund appropriations. In the event that revenues exceed expenditures within the funds, the surplus funding shall be withheld and used in the appropriate district for fire services in future years.

Section V(A). That the tax rates and fees reflected in "Attachment B – Tax Rate and Fee Schedule" are approved and effective July 1, 2025.

Section V(B). That the Water and Sewer Public Enterprise Schedule of Rents, Rates, Fees, Charges, and Penalties reflected in "Attachment C.1 – Water and Sewer Rate & Fee Schedule" are approved and effective July 1, 2025.

Section V(C). That the Application of Partial Payments Concerning the Water and Sewer Public Enterprise Schedule of Rents, Rates, Fees, Charges, and Penalties reflected in "Attachment C.2 – Water & Sewer Rate & Fee Schedule" is approved and effective July 1, 2025.

Section VI. Fees for Copies, Maps, Books, Other Media, Etc. The County Manager is authorized to establish fees within the various functions for miscellaneous services and items such as copies, maps, books, other media, etc., according to guidelines that may be administratively determined or that may be established by the Board of County Commissioners, in accordance with applicable law.

Section VII. That additional capital appropriations and the addition of capital programs or projects shall not be initiated except with the consent and approval of the Board of County Commissioners first being obtained, and an appropriation for a program in the Capital Improvement Program shall continue in force until the purpose for which it was made has been accomplished or abandoned.

Section VIII(A). That in accordance with NCGS §153A-92(c), "Attachment D – Position Classification and Pay Plan" for the fiscal year beginning July 1, 2025 and ending June 30, 2026 is approved.

Section VIII(B). That in accordance with NCGS §153A-92(c), "Attachment E.1 – Pay Plan Grades and Ranges" is effective July 1, 2025 through Jan 9, 2026 as approved.

Section VIII(C). That in accordance with NCGS §153A-92(c), "Attachment E.2 – Pay Plan Grades and Ranges" is effective Jan 10, 2026 through Jun 30, 2026 as approved.

Section IX. The total number of full-time permanent positions shall be the maximum number of positions authorized for the various appropriation units of the County during the fiscal year, except for changes or additions authorized by the Board of County Commissioners or as hereinafter provided. The County Manager may from time to time increase or decrease the number of part-time or temporary positions provided the aggregate amount expended for such services shall not exceed the respective appropriations. The County Manager is further authorized to make such rearrangements of positions within and between appropriation units as may best meet the needs and interests of the County.

Section X. Current members of the Union County Board of Commissioners shall be eligible for health insurance benefits on the same basis as current full-time employees. Current members of the Union County Board of Commissioners shall be an eligible class as defined by the Union County Board of Commissioners and considered Covered Employees under

the Union County Employee Health Benefits Plan, Health Reimbursement Account, and Major Medical Plan Document, or any similar successor document (the “Health Benefits Plan”). Dependents of current members of the Union County Board of Commissioners shall be eligible for health insurance benefits under the same criteria as dependents of other Covered Employees under the Health Benefits Plan.

Section XI. All balances of appropriations in each fund that support authorized obligations, multi-year grants, unexpended donations, or are encumbered at the close of business for the fiscal year ending June 30, 2025, are hereby declared re-appropriated into the fiscal year beginning July 1, 2025, and estimated revenues adjusted accordingly. The Finance Officer is authorized to make inter-fund loans as necessary to resolve negative fund balances during the closing of the fiscal year ending June 30, 2025 in accordance with Generally Accepted Accounting Principles and appropriately reflected in the Annual Comprehensive Financial Report.

Section XII. The General Fund unassigned fund balance policy level is hereby established as twenty-percent (20%) of the aggregate total of the FY 2026 Adopted General Government Fund, Economic Development Corporation Fund, and the Education Budgetary Fund. The unassigned fund balance will be reported to the Board of County Commissioners as part of the Annual Comprehensive Financial Report. It is the policy of the Board of County Commissioners that the General Fund unassigned fund balance above the policy level may be appropriated for one-time expenditures or to reduce long-term liabilities.

Section XIII. All fund balances or net position in funds other than the General Fund are limited to the specific use for which the fund was established.

Section XIV. The operating budget appropriation unit is defined as a function within a given fund as defined by the NCGS §159-13(a).

Section XV. The County Manager is hereby authorized to approve transfers of appropriations in an amount up to \$50,000 between appropriations units included in this ordinance. In addition, the County Manager may transfer, in amounts necessary, appropriations from all Reserves for Contingencies, within funds, except the General Fund Reserve for Contingencies, within the intent of the reserve as approved by the Board of County Commissioners. In accordance with the NCGS §159-15, a report of such transfers will be provided to the Board of County Commissioners at its next regular meeting.

Section XVI. The County Manager is authorized to approve contracts in an amount not to exceed \$50,000, whether such contracts entail the expenditure or receipt of funds. The County Manager may also approve the lease of County-owned real property, provided that the duration of such lease is one year or less and that such lease does not exceed \$50,000. A report of such contracts will be provided to the Board of County Commissioners quarterly.

Section XVII. The County Manager is authorized to approve insurance agreements, regardless of amount, provided sufficient funds have been appropriated. The County Manager is further authorized to appropriate insurance refunds and reimbursements to the purpose of the refunds and reimbursements.

Section XVIII. The County Manager is authorized to approve grant agreements, regardless of amount, for which the Board of County Commissioners has previously approved application, unless otherwise required by the grantor organization. For those grants for which the Board of County Commissioners has previously approved application, the County Manager is further authorized to appropriate grant revenue to the purpose of the grant funds.

Section XIX. Both the County Manager and the Finance Officer are hereby authorized to increase the budget appropriation for the Civil Fee Fund, DSS Representative Payee Fund, and Fines and Forfeitures Fund as necessary in accordance with applicable law. Any increase in funding appropriations will be reported to the Board of County Commissioners with the monthly budget transfers and amendments report.

Section XX. Both the County Manager and the Finance Officer are hereby authorized to increase the budget appropriation for any leases and subscription-based information technology arrangements (SBITAs) as necessary to

properly record the accounting and financial reporting of revenues and expenditures as required by the Governmental Accounting Standards Board, in accordance with applicable law. Any increase in funding appropriations will be reported to the Board of County Commissioners with the monthly budget transfers and amendments report.

Section XXI(A). The Union County Board of County Commissioners hereby appropriates \$140,149,613 to the Union County Public Schools for Current Expense as follows and further appropriated by function code and further detailed in "Attachment F – Local Current Expense Appropriation by Function Code".

Section XXI(B). In accordance with the NCGS §115C-433(b), the Union County Board of Education may make maximum cumulative transfers totaling up to ten percent (10%) of the amounts appropriated by function code as reflected in "Attachment F – Local Current Expense Appropriation by Function Code" to another function code. The appropriation by function code as detailed in "Attachment F – Local Current Expense Appropriation by Function Code" is in force until the funding is exhausted for its stated function code, regardless of the fiscal year the actual expenditure takes place and as such is restricted for the specific function code use. Transfers exceeding ten percent (10%) must be authorized by the Board of County Commissioners.

Section XXII. The Union County Board of County Commissioners hereby appropriates \$20,801,029 to the Union County Public Schools for Capital.

Section XXIII. In accordance with the NCGS §115C-429(c), the Board of County Commissioners calls for, for FY 2026, the books, records, audit reports, and other information bearing on the financial operation of UCPS listed below to be made available to the Board of Commissioners as set forth herein. Each of the monthly reports and counts described below is called for within ten business days of the close of each month, beginning with the close of July 2025.

- (a) A monthly report of monthly and cumulative revenues and expenditures, by function code, for all funds by fund. In addition, the original adopted budget and revised or amended budget for revenues and expenditures, by function code.
- (b) A monthly report of monthly expenditures, by project for appropriations outlined in section XXI and "Capital Projects Ordinance", including a brief summary of the status of the project.
- (c) A monthly report of monthly expenditures, by project for all other capital projects, including a brief summary of the status of the project.
- (d) A monthly report of transfers between function codes for all funds by fund.
- (e) A monthly personnel count of locally funded employees and state funded employees broken down by function code from which they are paid, furthermore, the Board of County Commissioners requests not to receive the payroll records in response to this request.
- (f) A monthly ADM count.

In addition to the information requested, the Board of Education is requested to provide this information in an electronically readable and searchable format, or other medium as agreed upon by the County Manager, to the County Manager for provision to the Board of County Commissioners.

Section XXIV. The Union County Board of Commissioners sets forth the following procedures for UCPS Capital Funding in accordance with all applicable law:

1. UCPS submission of operating capital requests to the Union County Board of Commissioners in accordance with applicable state law, including all deadlines therein.
2. UCPS submission to the Union County Board of Commissioners of a long-term capital funding plan for the current fiscal year plus the next five fiscal years, to include for consideration in Union County's capital funding plan. UCPS

should include in such plan both operating capital and other capital needs that would require a long-term funding source through general obligation bond referendum requests or other financing sources.

3. The Union County Board of Commissioners will fund the amount it deems appropriate in accordance with applicable law for UCPS operating capital requests. These requests may be funded annually from pay go capital funding. Capital project ordinances may be adopted at the appropriate times determined by the Union County Board of Commissioners in accordance with applicable law, which time may typically include such adoption at the Union County Board of Commissioners first meeting in July following the adoption of the annual budget ordinance. The capital project ordinance may be adopted by project category, which would allow flexibility for UCPS to spend down funding in each category as needed.

4. The capital project ordinance for each fiscal year of funding may be amended as needed as determined appropriate by the Union County Board of Commissioners, upon request from UCPS to move funding from one category to another.

5. The Union County Board of Commissioners calls for UCPS to forward to the Board, through the County's Finance Officer, a report of capital projects with the following information by the 10th of the month following the end of each quarter in FY 2026:

- a. Appropriated to Date Amount;
- b. Spent to Date Amount;
- c. Encumbrances/Contractual Commitments;
- d. Available Funds;
- e. Any notes related to upcoming significant bids that would reduce available funds; and
- f. Any funding changes needed between categories that would require a capital project ordinance amendment.

6. Following Union County's annual audit, all UCPS capital projects which are completed will be closed off on Union County's general ledger. Any unspent funds of completed projects will be unallocated and available as a funding sources for UCPS capital requests.

Section XXV. The Union County Board of County Commissioners determines that the \$160,950,642 provided for local funding for Union County Public Schools is greater than the amount necessary in order to maintain a system of free public schools as defined by State law and the State Board of Education policy in order to provide an opportunity for a sound, basic education; however, in its discretion the Board of County Commissioners has determined it appropriate, as a matter of local policy, to fund more than such amount.

Section XXVI. Both the County Manager and the Finance Officer are hereby authorized to establish and administer budgeting within appropriation units consistent with best management practices, reporting requirements, and the programs and services adopted by the Board of County Commissioners.

Section XXVII. If the estimated revenue in support of an operating appropriation unit declines, the County Manager is hereby authorized to limit, subject to any other provisions of the law, the expenditure of appropriations to equal the decline in estimated revenue. The County Manager shall give prior notice to the Board of County Commissioners of any limitation to total appropriations exceeding \$200,000. The notice to the Board of County Commissioners shall identify the basis and amount of the limitation and the appropriation units affected. The accounting records of the County will be maintained in accordance with the adopted and revised budget, as approved by the Board of County Commissioners.

Section XXVIII. Both the County Manager and the Finance Officer are hereby authorized to transfer excess appropriations, within a fund, to the Reserve for Contingencies after all anticipated expenditures for which those funds

were appropriated have been incurred or it is determined the expenditure is not going to occur. Nothing in this section shall be construed as authorizing any reduction made in the amount appropriated in this ordinance for the payment of interest or principal on the bonded debt of the County government.

Section XXIX. In the event of an emergency and under emergency circumstances where the Board of County Commissioners cannot reasonably hold a meeting, the County Manager is authorized to transfer and expend appropriated sums from any appropriation unit to ensure that the emergency is handled as efficiently and expeditiously as possible. Immediately following the expenditure of funds in this provision, and as soon as the Board of County Commissioners can reasonably meet under existing circumstances, the County Manager shall notify the Board of County Commissioners the reason for such action, how funds were expended, and present to the Board of County Commissioners for ratification an emergency appropriation that sets forth what measures are required to ensure that funds are forthwith restored and that the budget is balanced at the end of the fiscal year in which the emergency expenditures occurred.

An emergency is defined for the purposes of this provision as an event that could not have been reasonably foreseen at the time of the adoption of the budget, and in which (i) an immediate threat to the public health, safety or welfare is involved and/or (ii) immediate action is required to protect or preserve public properties.

Section XXX. If any part of this ordinance is for any reason declared to be unconstitutional or invalid, such decision shall not affect the validity of the remaining parts of this ordinance. Union County reserves the right to challenge the constitutionality of any law on which this budget is based, and to such end, if elected, the appropriations made pursuant to such challenged law shall be deemed to be made under protest.

Section XXXI. All attachments referred to in this ordinance are incorporated herein by reference including the FY 2026 Operating and Capital Budget document.

Section XXXII. This ordinance is adopted on June 16, 2025, and, unless otherwise specified herein, shall be effective on July 1, 2025.

Board of County Commissioners

County of Union, North Carolina

By: _____

Chair