Board of Commissioners
Mark Jones, Chair
Benita Finney, Vice Chair
Richard Poindexter
Terry Renegar
M Brent Shoaf

Brian Barnett
County Manager
Commissioners Room
123 S. Main Street
Mocksville, NC 27028
May 22, 2025
9:00 AM

MINUTES
Davie County - Board of Commissioners
Work Session

1. Meeting Called to Order - Chair Jones

The meeting was called to order at 9:01 AM.

2. Invocation - Jamon Gaddy

The invocation was offered by Jamon Gaddy.

3. Pledge of Allegiance - Brad Blackwelder

The Pledge of Allegiance was led by Brad Blackwelder.

4. Adopt Agenda - Chair Jones

Commissioner Renegar made a motion to adopt the agenda. Commissioner Finney seconded the motion. All were in favor, and the motion passed 5-0 (Mark Jones, Benita Finney, Richard Poindexter, Terry Renegar, M Brent Shoaf)

5. Report to Board - Brian Barnett

Paul Moore was running late. Chair Jones requested to rearrange the presentations and have Paul present after the Davidson-Davie Community College Budget Presentation.

a. Policy Amendment, Recreation and Parks - Paul Moore

Paul Moore presented the amendment change to the alcohol policy for the Recreation and Parks. He is asking for this amendment to be considered and approved at the June 2, 2025, meeting.

A 5-minute recess was taken at 10:35 AM.

b. Financial Presentation April 2025 - Robin West

Robin West spoke about the April 2025 financial summary report.

c. Davie County School's Budget Presentation - Jinda Haynes

Jinda Haynes and Clay Harris presented the Davie County School's budget and introduced the new superintendent, Dr. Heath Belcher.

County Attorney Ed Vogler had to excuse himself at 9:45 AM for a prior engagement.

d. Davidson-Davie Community College Budget Presentation - Jenny Varner

Jenny Varner presented the Davidson-Davie Community College budget presentation.

County Attorney Ed Vogler returned at 10:02 AM.

e. Manager Recommended Budget - Brian Barnett

At 10:40 AM, Brian Barnett presented the 2025-2026 Manager's recommended budget. The public hearing will be held on June 2, 2025, for the budget and the adoption of the budget can be completed after the public hearing.

Chair Jones recommended the subcommittee (Commissioner Renegar and Shoaf) meet with Brian Barnett and report back to the Commissioners before June 2, 2025.

6. Pending Action Items - Brian Barnett

There were none today,

7. Discussion Items - Chair Jones

8. Commissioners' Comments

The Commissioners all thanked everyone for coming and helping with the budget.

9. Adjourn - Chair Jones

Commissioner Finney made the motion to adjourn. Commissioner Poindexter seconded the motion. All were in favor, and the motion passed 5-0 (Jones, Finney, Poindexter, Renegar, Shoaf)

APPROVED

Chairman, Mark Jones

Attest: Karen E. Logan

Clerk, Karen Logan

Davidson-Davie
COMMUNITY COLLEGE

With more than 40 programs of study, continued top rankings on performance measures, and a constantly increasing enrollment, we are proud of our ongoing relevance to our local populations as they seek education and workforce opportunities

Graduation 2025

- 1,320 graduates earned a total of 1,962 credentials (707 associate degrees, 212 diplomas, 1,042 certificate and pathway completions)

Enrollment Snapshot

- Spring curriculum FTE finished over 5% higher than last spring, part of our rising enrollment trend
- Summer and Fall enrollment are also on track to show increases
- Davie Enrollment:
    - Continuing Education courses, Fall 2024: 434 students
        - Basic Skills students make up 153 of this number – an important program for making sure students who drop out of high school get the credentials needed to get or keep good jobs
    - Curriculum courses, Fall 2024: 453 students
        - Early College, CCP, and other high school dual-enrollment make up 272 of these students

- Career & College Promise (CCP) dual enrollment expected to exceed 250 students for Fall 2025, compared to 200 in 2024
- IGNITE Davie program continues to keep students in our community for college
  - Total IGNITE students, Fall 2024: 136
  - New applications for Fall 2025: 101
    - IGNITE is now able to accept students pursuing short-term training programs such as nurse aide, HVAC, electrical, phlebotomy, central sterile processing, EMT, cosmetology, welding, carpentry, and truck driver training

Customized Training & Continuing Education

- Education, training, and support services this year: Avgol, Liberty Sheds, Amarr Garage Doors, Larson, Reeb, Ashley Furniture, Brakebush, SBA Home
- Advanced law enforcement training and new Detention Officer School for Davie County Sheriff's Office
- $1 million investment and dedicated space at Davie Campus for EMS
- Fire Academy as dual enrollment program for Davie County High School students at old Advance fire station

Looking Ahead

- New program: Radiography begins Fall 2025 at Davidson
- $1 million investment in EMS in Davie
- New health sciences center to increase opportunities and build workforce partnerships in the healthcare industry

Davie COUNTY SCHOOLS
Engage, equip, empower!

GoDavie.org
1200 Salisbury Road · Mocksville, NC 27028
336.751.5921 · Fax 336.751.9013

DAVIE COUNTY SCHOOLS
2025-26
SUPERINTENDENT'S BUDGET MESSAGE
May 1, 2025

Davie County Schools (DCS) is committed to providing a safe, innovative learning environment where each individual is valued, respected, and challenged. This commitment provides a platform for making decisions that support staff and ensure learning for all students. The past five years have been challenging in dealing with COVID-19 and its residual effects. This virus has disrupted all aspects of our lives, including classrooms. Schools have returned to normal operations; however, student performance has not yet returned to the pre-COVID-19 level. Our team will stay the course, focusing on safety and academic strategies and structures that support learning for all students.

The state's mandated budget calendar requires the superintendent to submit a proposed budget and message to the Davie County Board of Education by May 1 each year, well before the state budget is finalized. This proposed budget, submitted to the Board of Education on May 1, 2025, will be further discussed and amended as final state and federal allotments are determined. Since state and federal funds comprise around 66.56% of our budget, creating a draft budget without a clearer picture of state and federal revenues is challenging. DCS has continued to be fiscally responsible by preserving as many services as possible for students, despite the increased cost of general operations.

This budget message provides a summary of budgeted expenses by purpose codes. Principals and directors are responsible for managing their respective resources, supported by our professional finance team, which systematically analyzes revenues and expenditures to ensure optimal financial management. The most recent financial audit was exemplary, verifying efficient and frugal management. Our Finance Department is to be commended for the outstanding fiscal management of public resources. We continue to strive to be good stewards of the resources provided to serve the children in our community.

Budget Development for 2025-26

District administrators work together throughout the year to assess staffing needs across the district. Principals begin budget planning with their staff and leadership teams in December, followed by meetings with the Maintenance and Human Resources staff in February and March. Principals present budget requests to the superintendent in early spring. During district staff meetings, ample time is dedicated to discussing student performance, professional development, staffing, and steps to improve teaching and learning. These discussions provide information and guidance for budget and staffing decisions.

The chair and vice chair of the Board of Education, the chair and vice chair of the Board of Commissioners, the county manager, and the superintendent meet quarterly, with the budget being a primary point of discussion. The continued support and commitment of our local Board of Commissioners have helped stabilize the district's financial outlook, particularly through the Interlocal

Funding Agreement. Additionally, Davie County leaders must continue to work together to attract and retain high-quality staff.

We look forward to ongoing conversations with the Board of Commissioners regarding local support for certified and classified staff salaries. As the state delegates more responsibility for education to local communities, having a solid partnership and relationship with the county government becomes even more crucial. Our continued success in the community relies on this partnership, and we look forward to collaborating to support ongoing improvement.

A Look at Revenues

State Funds
The state provides approximately 63.25% of our annual operating budget. Salary increases are anticipated for 2025-26, and the required contribution to retirement and the employer portion of healthcare from the state will also increase.

The 2025-26 school year will be the second year that state allotments are funded using the arrears funding format. As a result, the 2025-26 allotment will be based on the best of PMR 1 and 2 reports for 2024-25, which recorded 6,012 students enrolled. DCS anticipates a slight increase in student enrollment, similar to the trends observed over the past three years.

2023-24	6086 (projected)
2024-25	6093 (based on the 2023-24 PMR 2 Enrollment)
2025-26	6012 (based on the 2024-25 PMR 2 Enrollment)

Local Funds
It's worth noting that our local funds are crucial to our organization's success. We are grateful for the ongoing support of the Davie County Board of Commissioners and the Interlocal Funding Agreement, which has been renewed for 2022-2027. Without this support, we would have faced a significant reduction in staff. Additionally, the ESSER funding has been instrumental in providing extra support to our students' learning and developing our staff's capacity over the past four years; however, ESSER funding sunset in September 2024. Our team did an outstanding job restructuring to minimize staff reductions and disruptions to student learning support.

- Due to Davie County's economic success, property values and tax collections continue to increase, resulting in a projected increase of $607,730 in local current expense funding for 2025-26.
- The increase in local funding will help offset the rising costs outlined in this budget.

Federal Funds
Federal funding is calculated based on the student's needs and the average daily membership. Primary programs that receive funding include Title I, Exceptional Children, and early childhood education. Funding for the upcoming year is expected to align with previous years. The State Board of Education approved a new state funding formula for the Exceptional Children's Program last year; however, it has not yet been approved by the North Carolina General Assembly. The new formula aims to categorize qualified students based on their needs and redistribute funds accordingly, rather than increasing funding. This potential funding format has raised concerns among both educators and parents. Currently, state exceptional children's program funding is capped at 13% of the respective student population, while in DCS, 17% of the student population qualifies for EC funding. It will be interesting to see how the new funding formula affects students and schools in the years to come.

Low Wealth Funding
Low Wealth funding for DCS has fluctuated significantly in the past, ranging from $500,000 to zero. Since 2021, however, it has increased. In 2025-26, DCS is projected to receive approximately $580,519, representing an increase over the previous year. These funds will support some of our most needy students and fill the gaps in other funding sources.
Public-Private Partnerships
Davie County is fortunate to have a caring community of stakeholders and business partners who generously give back and invest in DCS. Each year, thousands of dollars are donated to our schools.

DCS is highly fortunate to have two incredible foundations, the Davie Community Foundation and the Mebane Charitable Foundation. These foundations have partnered with our schools in numerous ways, providing grants for projects from preschool to high school. As a result of these partnerships, we have provided educational experiences that extend beyond a basic education for many of our students. These public-private partnerships help set our district apart and provide our students and staff with a competitive advantage.

IGNITE DAVIE is a scholarship program available to high school graduates residing in Davie County. It is an excellent example of how the citizens of Davie County support students and help them attend college after graduating from high school. This significant investment provides a pathway that fosters the attitude that anyone can attend college. Since the inception of Ignite Davie, community college enrollment for DC graduates has continued to increase, and students and their families have taken advantage of this fantastic opportunity, choosing to pursue higher education.

Ignite Davie is more than just a scholarship program; it's a community initiative that thrives on the support of local businesses and organizations. These businesses recognize the potential in our motivated students and have provided crucial support. Many of these students, armed with a degree or certificate, will choose to give back to Davie County, contributing to its growth. It's a win-win situation that we can all take pride in.

Changing Cost of Employment
The cost of employing teachers and staff has increased significantly over the years, primarily due to the rapid rise in the cost of matching retirement and healthcare benefits, rather than the much-deserved salary increases. In 2005-06, a first-year teacher's salary was $25,510, and the total cost of employment, including benefits, was $32,949. In 2025-2026, beginning teachers will earn $41,510 with a complete package of $63,504.90, a 93% increase. In 2005-06, the district could employ 30 first-year teachers for $ 1 million. However, in 2025-26, this amount would only cover the cost of 15.75 teachers. Between 2013 and 2023, the cost of benefits increased by over $2 million, despite having fewer employees. Allotment changes have not kept pace with the increase in employment costs, resulting in staff reductions and a decrease in the number of adults working with children. Based on the biennium budget, we plan to implement a 3% increase in certified and classified salaries for the 2025-26 school year.

K-3 Class Size Mandates
Class size regulations will mandate the number of students in grades K-3 accordingly:

Kindergarten	18 students
First Grade	16 students
Second Grade	17 students
Third Grade	17 students

There are no class size restrictions in grades 4-12; however, the NC General Assembly is considering class size caps for grades 4 and 5. The limits on K-3 classes directly impact staffing and class size in upper-grade classrooms.

Achievements and Looking Ahead

In 2024-25, DCS was awarded $280,500 in the School Safety Grant. The grant helped secure the following safety items: professional development focused on enhancing safety features, as well as the purchase of OpenGate weapons detectors for all schools. Grant funds also support four school resource officers.

Using technology as a learning tool continues to evolve, and DCS is committed to keeping pace with these changes. Over the summer of 2020, DCS transitioned to emergency remote learning and fully implemented a 1:1 student device plan for secondary students over the next 16 months. Furthermore, the school district adopted Canvas, an online student management platform, and provided professional development to support these significant changes.
Students in grades K-5 will continue to use the devices provided in the classroom, enabling them to participate in interactive and engaging learning activities and develop essential digital literacy skills.

Students' individual use of devices and small-group support enhance differentiated learning, allowing students to learn at their own pace and in a manner that suits their learning style. District leaders are collaborating with staff and students to navigate the transition to the new world of generative artificial intelligence in a cautious and productive manner.

DCS is implementing necessary changes to adopt safe and supportive Generative Artificial Intelligence (AI) in the classroom. The superintendent and Chief Technology Officer presented at a regional conference on the use and implementation of AI in classrooms. A team comprising district staff, principals, and teachers has been established to provide system leadership as we learn to effectively utilize artificial intelligence.

DCS has taken a significant step towards mitigating learning loss and building capacity across the district with the implementation of a multi-tiered system of supports (MTSS). Although the students' learning has started to recover from the pandemic's effects, it has yet to return to the pre-COVID level of performance. To address specific subgroups and learning gaps, a new content coach structure was introduced in the 2024-2025 school year to support classroom teachers. This new structure has been well-received and is expected to improve instruction and the overall learning experience of students in the district.

Over the past four years, ESSER funds have been allocated specifically to address learning loss and enhance staff capacity. DCS will continue to extend support for these purposes. However, these funds expired in September 2024. Whenever additional funds become available, we must prioritize the restoration of staff across various areas within our organization that have faced reductions over the years. These areas include additional student services support, hiring more academically and gifted teachers, increasing the number of nursing staff, providing a full-time School Resource Officer at every school, and restoring instructional assistants that have been reduced over several years.

Principals and staff have expressed a need for additional professional development to support the curriculum, instructional technology, and guidance on utilizing generative artificial intelligence. Each is vital to learning and integral to enhancing the 1:1 device plan across the district, preparing students for the future.

In light of the current economic climate and heightened wages offered by competitors, the need for quality classified staff, especially in the Transportation and Maintenance departments, has become increasingly pressing. DCS conducted a salary study for classified employees and has adjusted salaries for a limited number of employees based on available funds. However, we must continue to evaluate and make necessary changes to ensure the provision of quality services.

2025-26 Local Budget Request

Local Current Expense

As calculated by the County Finance Officer, our local budget expense allocation of $14,686,117 for the 2025-26 fiscal year will be based on the Interlocal Funding Agreement. This funding will help offset the increased costs of utilities, insurance, salaries, and benefits for staff, as well as the district's overall operational expenses. In January 2022, the Board of Education and the Board of Commissioners renewed the Interlocal Funding Agreement for the period of 2022-2027. We remain incredibly grateful to the commissioners for their ongoing support and commitment to public education.

Summary

The Davie County Schools community takes great pride in the resilience, courage, and determination shown by our students, staff, and families in overcoming the challenges of the past five years. Our team remains committed to ensuring the safety of everyone while providing high-quality education. The primary focus remains on providing learning opportunities for all. With the availability of Artificial Intelligence and numerous online instructional formats, we must adapt our approach to meet the diverse learning needs of all students. We will continue to work tirelessly to refine our daily strategies and methods, preparing our students.

According to the latest report from DPI, "A Recovery Analysis of Student Learning During the COVID-19 Pandemic," our students are making progress; however, we are not recovering at an acceptable pace. To address this, MTSS, a revised professional development plan, and a restructured content coaching plan will be utilized to improve our progress over the next few years.

Before the pandemic, DCS had invested extensive time training elementary school staff to build effective professional learning communities (PLCs). The goal was to develop a team approach to analyzing student performance data and developing plans to respond to the learning needs. DCS has extended PLC training to all grade levels. Our methods have been adjusted by implementing *High Reliability Schools (HRS)* practices, which focus on continuous improvement through the use of professional learning teams. HRS utilizes knowledgeable teams to examine both leading and lagging indicators (data) to support planning and decision-making, thereby reinforcing learning for students and staff.

There continue to be questions about enrollment in rural districts across North Carolina. Most rural districts continue to experience a decline in student enrollment; that isn't the case for DCS. In the fall of 2023, Dr. Jerome McKibben, of McKibben Demographics, conducted a population and enrollment forecast study for DCS. The ten-year outlook showed less than 3% growth in student enrollment. We will continue to work with county leadership to monitor growth and plan for future school impacts. As previously indicated, DCS is expected to experience another slight increase in student enrollment for the 2025-26 school year.

The school funding formula defined in the Interlocal Funding Agreement has been instrumental in enabling the school district and county to better plan during the budget cycle. The Agreement provides certainty in challenging times and renders better planning. Davie County's low poverty and high wealth rankings have influenced state and federal funding, and the lingering impact of the pandemic remains a concern. Thus, local partnerships and the commitment to funding public schools are even more crucial.

The partnership between the Board of Education and the Board of Commissioners demonstrates that education remains a top priority for community leaders. It is also an excellent economic development tool that exemplifies the investment in education and Davie County's future workforce. According to the *State of Davie County* presentation by the Chamber of Commerce, the county is moving in the right direction, with increased employment opportunities and growth, while maintaining its community values and an attractive quality of life. This does not just happen.

We value our community and partnerships in Davie County, and we look forward to working together to serve all children, their families, and stakeholders in this incredible community.

Respectfully submitted,

Jeff Wallace

Jeff Wallace
Superintendent

DAVIE COUNTY SCHOOLS
DRAFT BUDGET RESOLUTION
FOR THE FISCAL YEAR 2025-2026

BE IT RESOLVED by the Board of Education of the Davie County Administrative Unit:

The following *estimated* amounts are hereby appropriated for the operation of the school administrative unit in the **State Public School Fund** for the fiscal year beginning July 1, 2025 and ending June 30, 2026:

Instructional Programs	
5000 Instructional Programs	$ 43,698,878
6000 Support Services	4,682,363
7000 Nutritional Services	93,606
	$ 48,474,847

The following revenues are estimated to be available from the **State Public School Fund** for the fiscal year beginning July 1, 2025 and ending June 30, 2026:

Revenues from State Sources	
3100 State Public School Fund Revenue	$ 48,251,756
Other State Allocations for Current Operations	
3200 Textbooks	223,091
	$ 48,474,847

The following *estimated* amounts are hereby appropriated for the operation of the school administrative unit in the **Local Current Expense Fund** for the fiscal year beginning July 1, 2025 and ending June 30, 2026:

Instructional Programs	
5000 Instructional Services	$ 8,487,345
6000 Support Services	6,408,832
8000 Non Program Charges	100,000
	$ 14,996,177

The following revenues are estimated to be available from the **Local Current Expense Fund** for the fiscal year beginning July 1, 2025 and ending June 30, 2026:

Other State Allocations for Current Operations	
3200 Sales and Use Tax Revenue	$ 35,000
Revenues from Local and Other Sources	
4100 County Appropriation	14,687,177
4400 Local Sources – Unrestricted	275,000
	$ 14,996,177

The following *estimated* amounts are hereby appropriated for the operation of the school administrative unit in the **Federal Grants Fund** for the fiscal year beginning July 1, 2025 and ending June 30, 2026:

Instructional Services	
5000 Instructional Services	$ 2,148,064
6000 Support Services	264,895
	$ 2,412,959

The following revenues are estimated to be available from the **Federal Grants Fund** for the fiscal year beginning July 1, 2025 and ending June 30, 2026:

Revenues from Federal Sources - Restricted Grants	
3600 Federal Fund Revenue	$ 2,412,959

The following *estimated* amounts are hereby appropriated for the operation of the school administrative unit in the **Capital Outlay Fund** for the fiscal year beginning July 1, 2025 and ending June 30, 2026:

Instructional Services	
5000 Instructional Services	$ 553,573
6000 Support Services	3,146,427
8000 Non Program Charges	200,000
	$ 3,900,000

The following revenues are estimated to be available from the **Capital Outlay Fund** for the fiscal year July 1, 2025 and ending June 30, 2026:

Other State Allocations for Current Operations	
3200 State Revenue - Other Funds	$ 105,000
State Allocations Restricted for Capital Outlays	
3400 Public School Capital Fund – Lottery	800,000
Local Government Sales Tax	
4100 Sales Tax Revenue	2,971,000
4400 Interest Earned	22,000
4800 Surplus Assets	2,000
	$ 3,900,000

The following *estimated* amounts are hereby appropriated for the operation of the school administrative unit in the **Child Nutrition Fund** for the fiscal year beginning July 1, 2025 and ending June 30, 2026:

Ancillary Services	
7000 Nutritional Services	$ 3,783,562
8000 Non Program Charges	153,106
	$ 3,936,668

The following revenues are estimated to be available from the **Child Nutrition Fund** for the fiscal year beginning July 1, 2025 and ending June 30, 2026:

Other State Allocations for Current Operations	
3200 Sales and Use Tax Revenue	$ 3,750
Other Revenues from Federal Sources – Restricted Grants	
3800 Other Restricted Grants	3,636,418
Revenues from Local and Other Sources	
4300 Local Sources – Revenues	285,000
4400 Local Sources – Unrestricted	11,500
Special Revenue Services	
4910 Fund Balance Appropriated	
	$ 3,936,668

The following *estimated* amounts are hereby appropriated for the operation of the school administrative unit in the **Other Special Revenue Fund** for the fiscal year beginning July 1, 2025 and ending June 30, 2026:

Instructional Programs	
5000 Instructional Services	$ 2,411,724
6000 Support Services	307,418
7000 Nutritional Services	9,859
	$ 2,729,001

The following revenues are estimated to be available from the **Other Special Revenue Fund** for the fiscal year beginning July 1, 2025 and ending June 30, 2026:

Other State Allocations for Current Operations	
3200 Other State Allocations for Current Operations	$ 1,175,000
Revenues from Federal Sources	
3700 Revenues from Federal Sources	283,580
Other Revenues from Federal Sources – Restricted Grants	
3800 Other Restricted Grants	115,000
Revenues from Local and Other Sources	
4200 Local Sources – Tuition and Fees	847,000
4400 Local Sources – Unrestricted	142,000
4800 Local Sources – Restricted	166,421
Special Revenue Services	
4910 Fund Balance Appropriated	
	$ 2,729,001

All appropriations shall be paid first from revenue restricted as to use, and second from unrestricted revenue.

The superintendent is hereby authorized to transfer appropriations within a fund under the following conditions:

a. Amounts may be transferred between sub-functions and objects of expenditure within a function without limitations and without a report to the Board of Education being required.

b. Amounts may be transferred not to exceed three percent of the total budget between functions of the same fund with a report of such transfers being required at the next meeting of the Board of Education.

c. Amounts may not be transferred between funds nor from any contingency appropriation within a fund.

Copies of the **Draft** Budget Resolution shall be immediately furnished to the superintendent and the school finance officer for direction in carrying out their duties.

ADOPTED this ___ day of May, 2025.

Dub Potts, Board Chair

Jinda P. Haynes

Jinda Haynes, Secretary

Recommended Budget
Fiscal Year 2025-2026

Brian Barnett, County Manager

FY 2025-26 Manager's Recommended Budget

- Recommended fiscal year 2025-2026 budget for Davie County equals $113,960,444; of which the General Fund makes up $93,001,922;

- The budget is balanced and prepared in accordance with the Local Government Budget and Fiscal Control Act, with Fund Balance Appropriated at $4,735,108 in the General Fund.

General Fund Bridge from Framework to Manager Recommended Budget

Expenditure	Increase / (Decrease)	Balance
Budget Framework Total		$92,477,016
Increase County-wide Fire Funding	$317,448	
Rescue Squad Funding	40,000	
Lake Louise Contribution	50,000	
Davie Soil & Water Contribution	95,000	
Davie Watershed Commission Contribution	32,000	
EMS Supervisor Vehicle	(76,220)	
Davie County Arts Council Contribution	(5,000)	
Insurance (Property & Liability and Workers Comp)	71,678	
Manager's Recommended Budget		$93,001,922

FY 2025-26 Manager's Recommended Budget
Components of Revenue Neutral Rate

- Historical basis: audited figures for assessed valuation of all property types (FY22, FY23, FY24);
- Current year: actual real and personal property billed valuation and projected year-end motor vehicle values for FY25;
- Revenue Neutral formula excludes tax base growth due to revaluation, allows for natural growth based on <u>historical performance;</u>
- Revaluation re-establishes a fair and equitable distribution of tax burden among various components of the property tax base;
- Countywide Fire Tax of $0.04 per $100 is not affected by the 2025 revaluation;
- **Revaluation and revenue neutral tax rate are required by NCGS 159-11(e).**

FY 2025-26 Manager's Recommended Budget
Components of Revenue Neutral Rate

Current Property Tax Rate (excluding $0.04 Fire Tax)	Revenue Neutral Tax Rate (excluding $0.04 Fire Tax)	Manager Recommended Tax Rate (excluding $0.04 Fire Tax)
$0.7330 per $100 valuation	$0.5965 per $100 valuation	$0.6400 per $100 valuation
Current Property Tax Rate with $0.04 Fire Tax	Revenue Neutral Tax Rate with $0.04 Fire Tax	Manager Recommended Tax Rate with $0.04 Fire Tax
$0.7730 per 100 valuation	$0.6365 per $100 valuation	$0.6800 per $100 valuation

FY 2025-2026 Guiding Principles

- Protecting the financial position of Davie County;
- Being respectful of the 2025 Revaluation process;
- Prioritizing recruitment and retention of quality employees;
- Strengthening and securing the County’s technology infrastructure;
- Replacement and maintenance of capital investments.

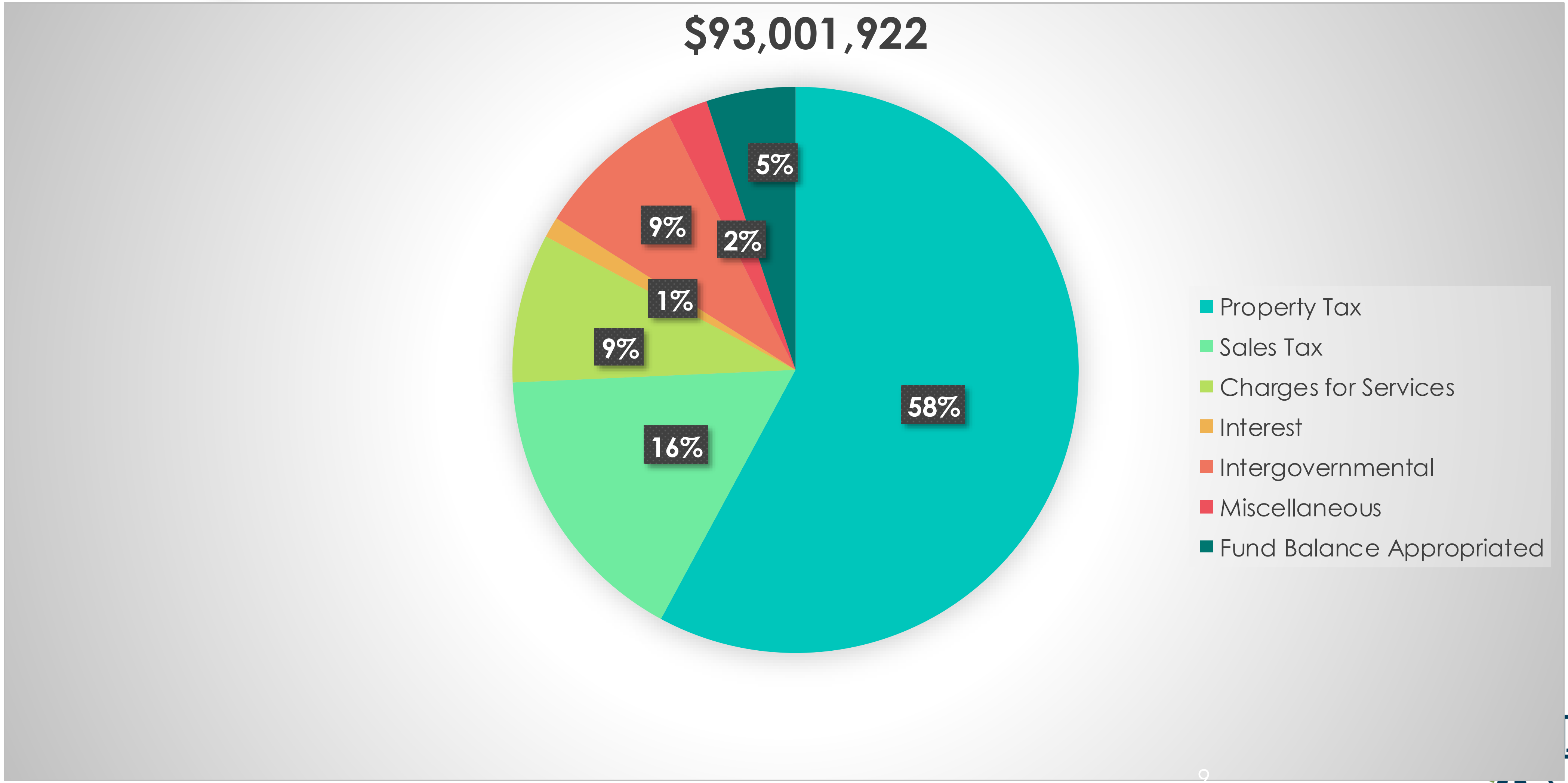
FY 2025-26
Manager's Recommended Budget by Funds

Fund	FY 2026 Manager Recommended
General Fund	$93,001,922
Advance Rural Fire Protection District Fund	$677,837
Countywide Fire Fund	$4,210,155
Environmental Protection Fund	$398,000
Public Utilities Fund	$8,914,719
E-911 Fund	$194,618
Opioid Mitigation Fund	$500,000
Employee Health Fund	$6,063,193
Total FY2025-2026 Recommended Budget	**$113,960,444**

FY 2025-26
General Fund Revenue

Revenues	FY 2026 Manager Recommended
Property Tax	$53,835,638
Sales Tax	$15,254,280
Intergovernmental	$8,042,313
Charges for Services	$7,924,672
Miscellaneous	$2,109,911
Interest on Investments	$1,100,000
Fund Balance Appropriated	$4,735,108
Total Revenues	**$93,001,922**

FY 2025-26
General Fund Revenue

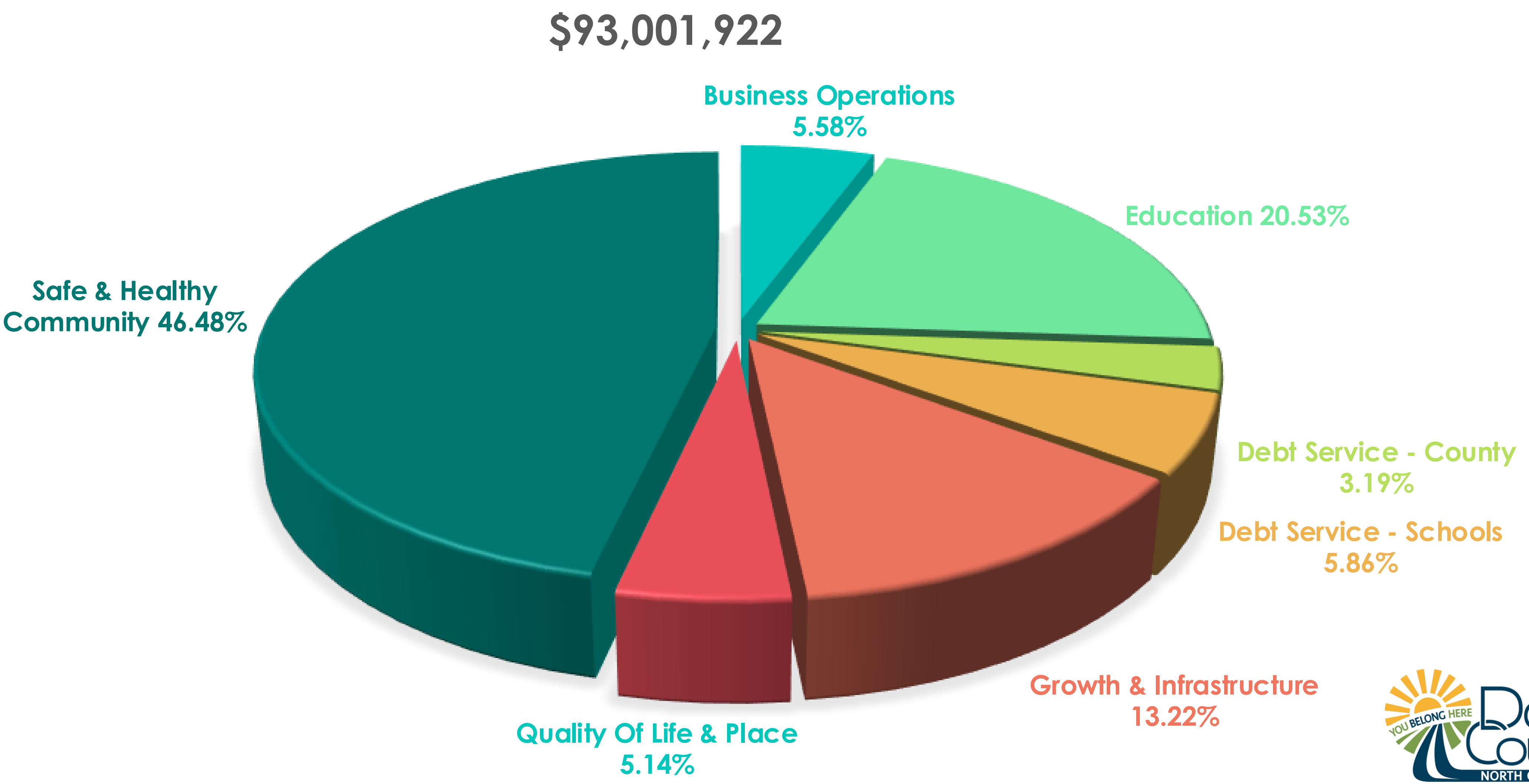


FY 2025-26
General Fund Expenditures by Focus Area

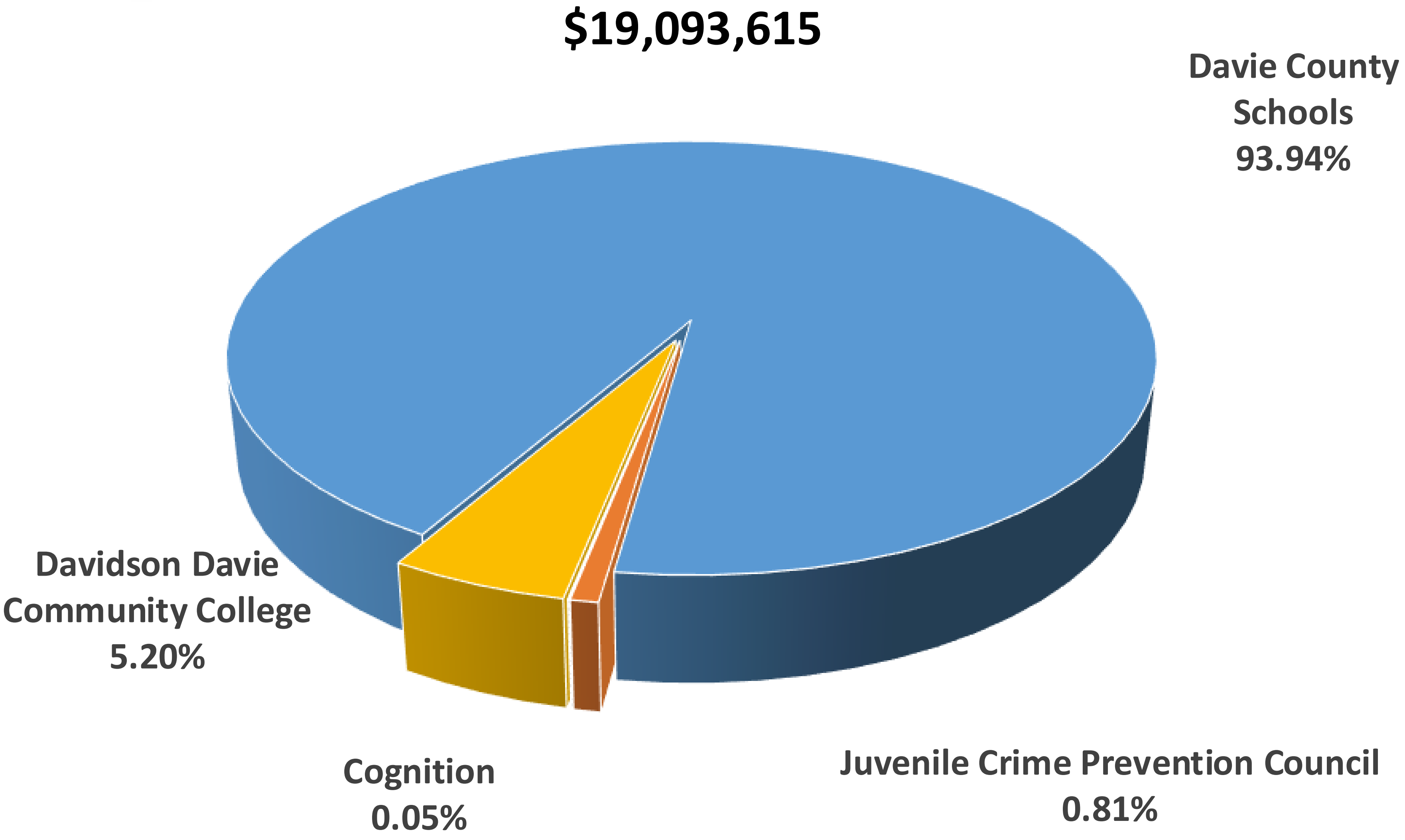
Focus Area	FY 2025 Original Budget	FY 2026 Manager Recommends	Variance*
Business Operations	4,295,019	5,186,881	(a)
Safe and Healthy Community	35,075,568	39,018,986	(b)
Growth and Infrastructure	7,316,615	9,440,107	(c)
Quality of Life and Place	4,543,096	4,775,942	(d)
Education	18,313,192	19,093,615	(e)
Debt Service	8,380,713	8,417,975	(f)
Contributions to Other Funds	5,951,949	7,068,416	(g)
Total	**83,876,152**	**93,001,922**	

*COLA, Health Insurance and Retirement increases throughout; (a)salary and benefit increases; technology capital outlay (b) Sheriff, EMS, HHS increases mostly due to salary, benefit increases, and capital outlay; (c) County building/grounds maintenance, Planning/Dev Services changes, and Economic Development Incentives; (d)salary and benefit increases and new 4H van; (e) Property Tax increase per MOA; (f) Structure of debt payments; (g)Contribution to Capital Projects Fund and County-wide Fire Fund.

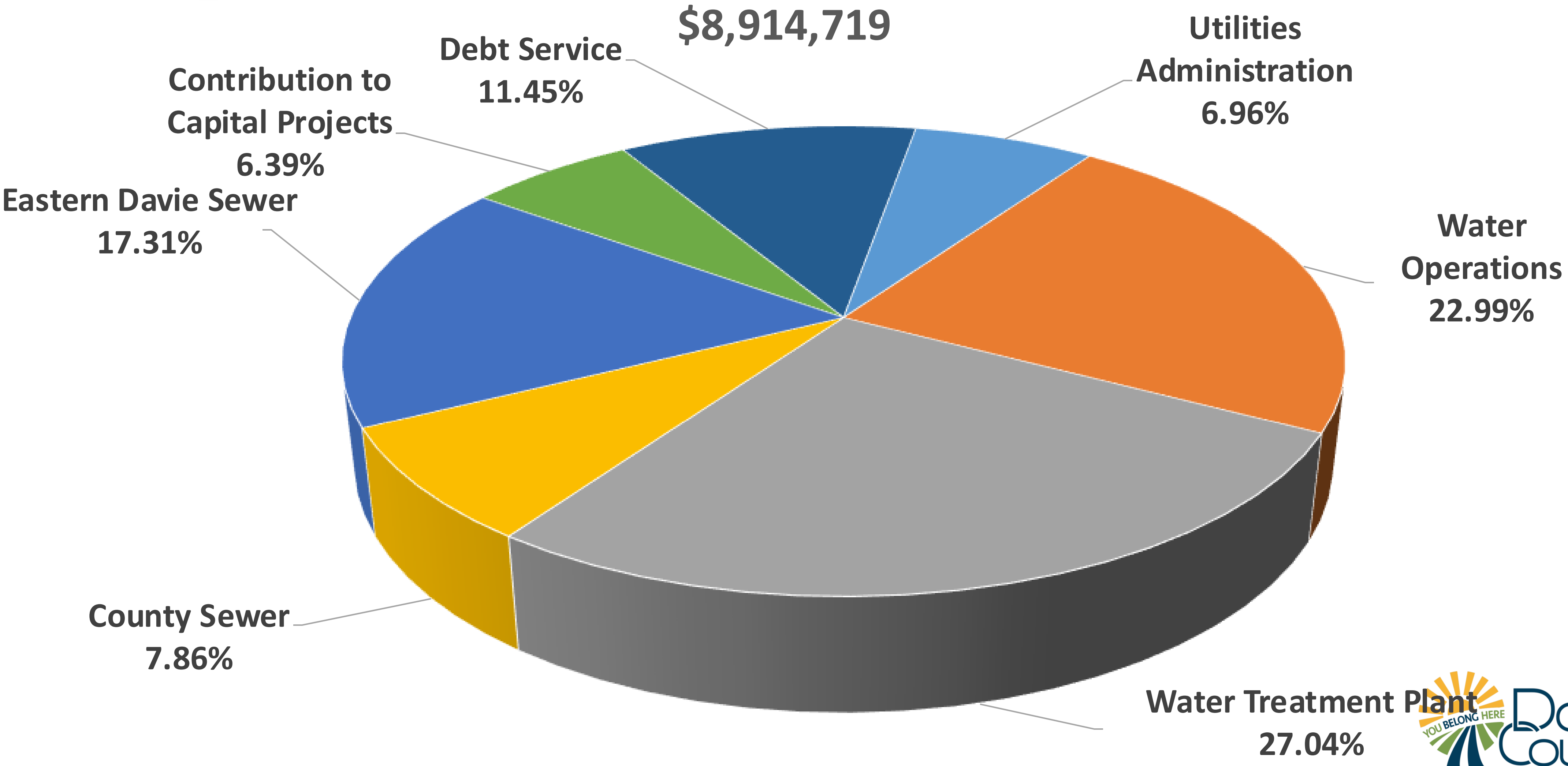
FY 2025-26
General Fund Expenditures by Focus Area



FY 2025-26
General Fund - Education



FY 2025-26
Public Utilities



Implement
Capital Improvement Plan – General Fund

Project	2025-2026	Funding Source
Parking Lot Paving	$700,000	General Fund
Brock Center Roof Replacement	$480,000	General Fund
Former HHS Building Demolition	$350,000	General Fund
Library HVAC Replacement	$290,000	General Fund
Library ADA Entrance Renovation	$250,000	General Fund
	$2,070,000	

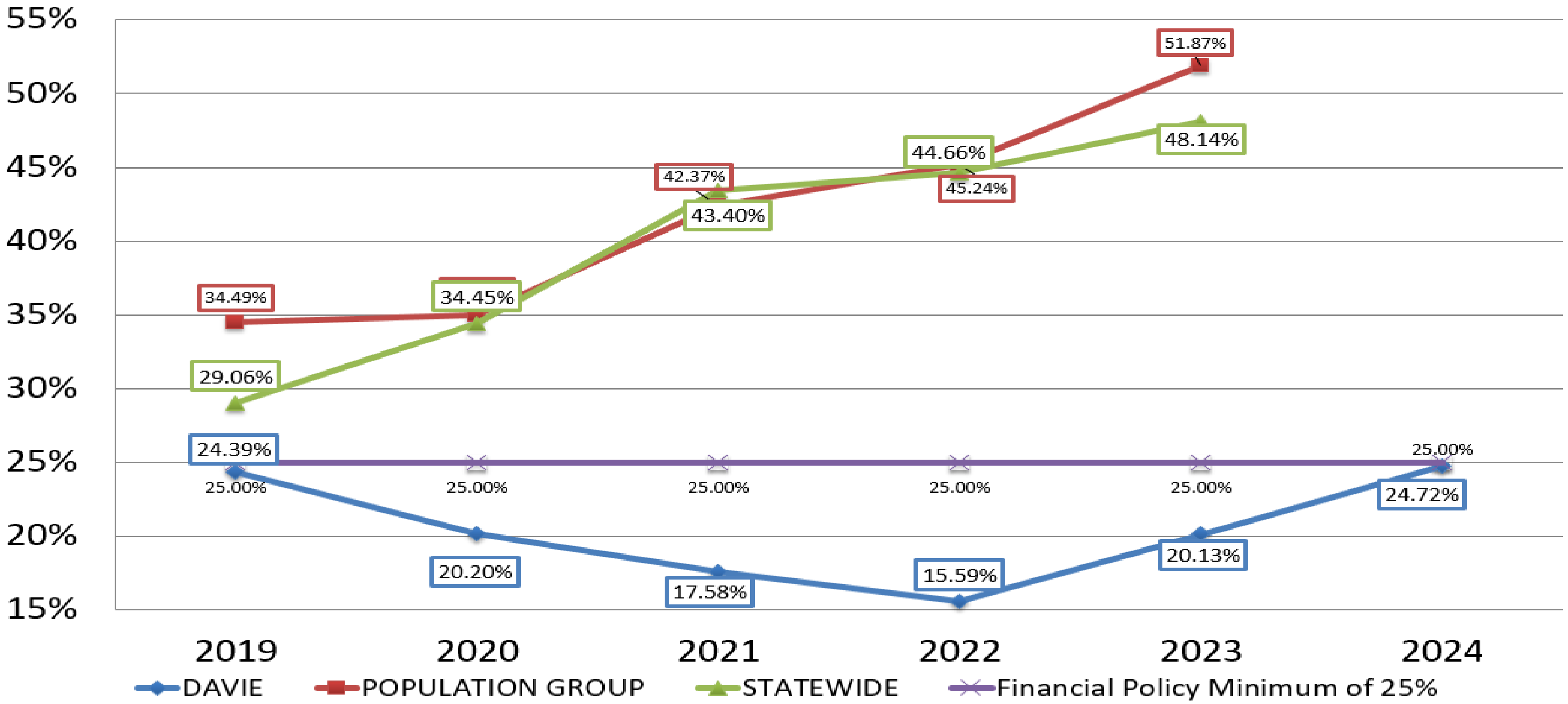
Implement
Capital Improvement Plan – Public Utilities

Project	2025-2026	Funding Source
Cooleemee Clarifier Rebuild #1	$200,000	Public Utilities Fund
Repair & Replace PP&V	$200,000	Public Utilities Fund
New Water & Sewer Extensions – Priority-Main Church Road; Yadkin Valley Road; Cooleemee	$100,000	Public Utilities Fund
SCADA System Upgrade	$70,000	Public Utilities Fund
Total CIP – Public Utilities Fund	**$570,000**	

FY 2025-26 Manager's Recommended Budget Personnel

- During the Current Year Added: Telecommunicator, Peer Support Specialist, Emergency Medical Technicians (4), Emergency Services Equipment Maintenance Technician, EMS Training Coordinator, Grounds Maintenance Crew (4)
- 3% Cost of Living Market Adjustment
- 1.25% Merit Performance Increase (equal to one step)
- 8% Increase for Health Insurance - County will continue to offer the employee coverage at no cost to employee
- 38 Requested New Positions – Only recommending 5: (4) Sheriff Deputies & (1) IT Security Analyst/System Technician

Fund Balance Percentage History



Public Utilities – Proposed Fee Schedule

		FY 2024		FY 2025		FY 2026		FY 2027		FY 2028		FY 2029		FY 2030		FY 2031
Water																
Bi-monthly Base Charge (includes 3 kgal)	**$**	**31.50**	**$**	**32.76**	**$**	**34.07**	**$**	**35.77**	**$**	**37.56**	**$**	**39.25**	**$**	**41.02**	**$**	**42.87**
> 3,000 gallons	**$**	**6.03**	**$**	**6.27**	**$**	**6.52**	**$**	**6.85**	**$**	**7.19**	**$**	**7.51**	**$**	**7.85**	**$**	**8.20**
Average bill (10 kgal)	*$*	*73.69*	*$*	*76.65*	*$*	*79.72*	*$*	*83.70*	*$*	*87.89*	*$*	*91.84*	*$*	*95.97*	*$*	*100.29*
$ Change in Average Bill	*$*	*3.22*	*$*	*2.96*	*$*	*3.07*	*$*	*3.99*	*$*	*4.19*	*$*	*3.95*	*$*	*4.13*	*$*	*4.32*
% Change in Average Bill		*4.56%*		*4.01%*		*4.00%*		*5.00%*		*5.00%*		*4.50%*		*4.50%*		*4.50%*
Irrigation																
Bi-monthly Base Charge (includes 3 kgal)	**$**	**31.50**	**$**	**32.76**	**$**	**34.07**	**$**	**35.77**	**$**	**37.56**	**$**	**39.25**	**$**	**41.02**	**$**	**42.87**
> 3,000 gallons	**$**	**7.84**	**$**	**8.15**	**$**	**8.48**	**$**	**8.90**	**$**	**9.34**	**$**	**9.77**	**$**	**10.20**	**$**	**10.66**
Average bill (10 kgal)	*$*	*86.35*	*$*	*89.81*	*$*	*93.40*	*$*	*98.07*	*$*	*102.98*	*$*	*107.61*	*$*	*112.45*	*$*	*117.51*
% Change in Average Bill		*4.54%*		*4.01%*		*4.00%*		*5.00%*		*5.00%*		*4.50%*		*4.50%*		*4.50%*
All Other Sewer																
Bi-monthly Base Charge (includes 3 kgal)	**$**	**28.00**	**$**	**29.12**	**$**	**30.28**	**$**	**31.80**	**$**	**33.39**	**$**	**34.89**	**$**	**36.46**	**$**	**38.10**
> 3,000 gallons	**$**	**4.61**	**$**	**4.80**	**$**	**4.99**	**$**	**5.24**	**$**	**5.50**	**$**	**5.75**	**$**	**6.01**	**$**	**6.28**
Average bill (10 kgal)	*$*	*60.30*	*$*	*62.72*	*$*	*65.23*	*$*	*68.49*	*$*	*71.91*	*$*	*75.15*	*$*	*78.53*	*$*	*82.07*
$ Change in Average Bill	*$*	*1.84*	*$*	*2.42*	*$*	*2.51*	*$*	*3.26*	*$*	*3.42*	*$*	*3.24*	*$*	*3.38*	*$*	*3.53*
% Change in Average Bill		*3.15%*		*4.01%*		*4.00%*		*5.00%*		*5.00%*		*4.50%*		*4.50%*		*4.50%*
East Davie Sewer																
Bi-monthly Base Charge (includes 3 kgal)	**$**	**40.40**	**$**	**42.02**	**$**	**43.70**	**$**	**45.89**	**$**	**48.18**	**$**	**50.35**	**$**	**52.61**	**$**	**54.98**
> 3,000 gallons	**$**	**14.00**	**$**	**14.56**	**$**	**15.14**	**$**	**15.90**	**$**	**16.69**	**$**	**17.45**	**$**	**18.23**	**$**	**19.05**
Average bill (10 kgal)	*$*	*138.40*	*$*	*143.94*	*$*	*149.70*	*$*	*157.18*	*$*	*165.04*	*$*	*172.47*	*$*	*180.23*	*$*	*188.34*
$ Change in Average Bill	*$*	*5.70*	*$*	*5.54*	*$*	*5.76*	*$*	*7.48*	*$*	*7.86*	*$*	*7.43*	*$*	*7.76*	*$*	*8.11*
% Change in Average Bill		*4.30%*		*4.00%*		*4.00%*		*5.00%*		*5.00%*		*4.50%*		*4.50%*		*4.50%*

Proposed Fee Schedule Changes

Service	2025-2026 Proposed Rates
Road Name Change Application	$300
False Fire Alarms (5th alarm)	$100
False Fire Alarms (6th – 10th alarm) / each	$200
False Fire Alarms (11th and up) / each	$500
DCCP Medium Shelter Rental Fees / hour	$25
DCCP & Lake Louise Park Large Shelter Rental Fees / hour	$35
Inspection Fees – Residential & Commercial	See Fee Schedule

Other Noteworthy Items

- Supporting 425 Full Time and 139 Part Time/Hourly staff to provide superior services to our citizens;
- Incentives for business recruitment, growth, and retention for economic development;
- Revised fee schedules;
- Increased education funding for Davie County Schools & Davidson-Davie Community College
- New Audio Visual System at Senior Services
- New Van for Cooperative Extension

Other Noteworthy Items

- Continuation of outside agency funding Davie County Recreation and Parks;
- Funding increase for contracted fire and rescue agencies;
- Funding for cultural, arts, and tourism partner agencies.
- Completion of equipment purchases for Grounds Maintenance Crew
- Ambulance Vehicle Remount
- Absorbed Grant End Programming

Next Steps

- Budget Public Hearing – June 2 during Monthly County Commissioners' Meeting
- Budget Adoption – Any public meeting after the closure of the Budget Public Hearing on June 2

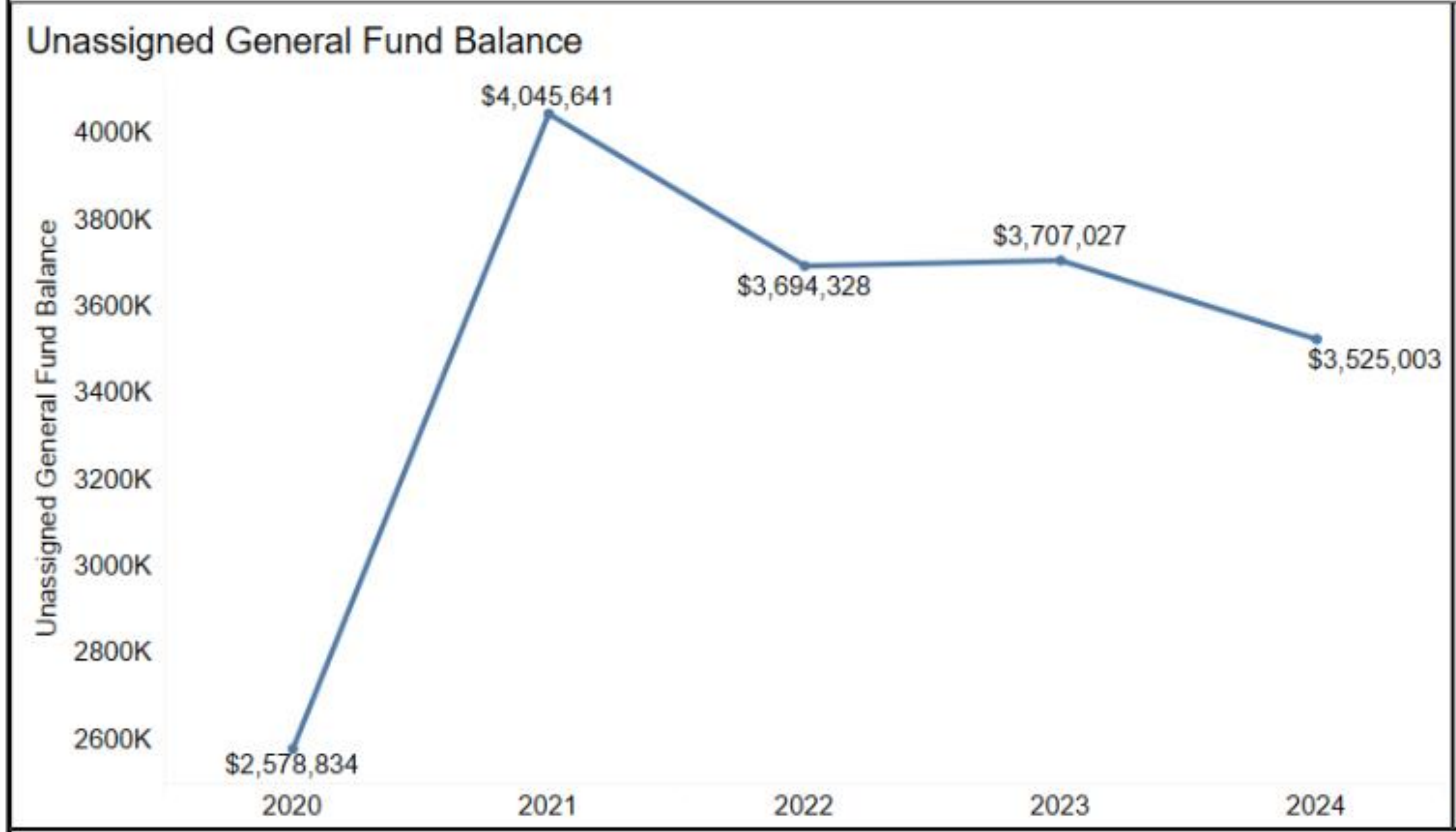
Recommended Budget Fiscal Year 2025-2026

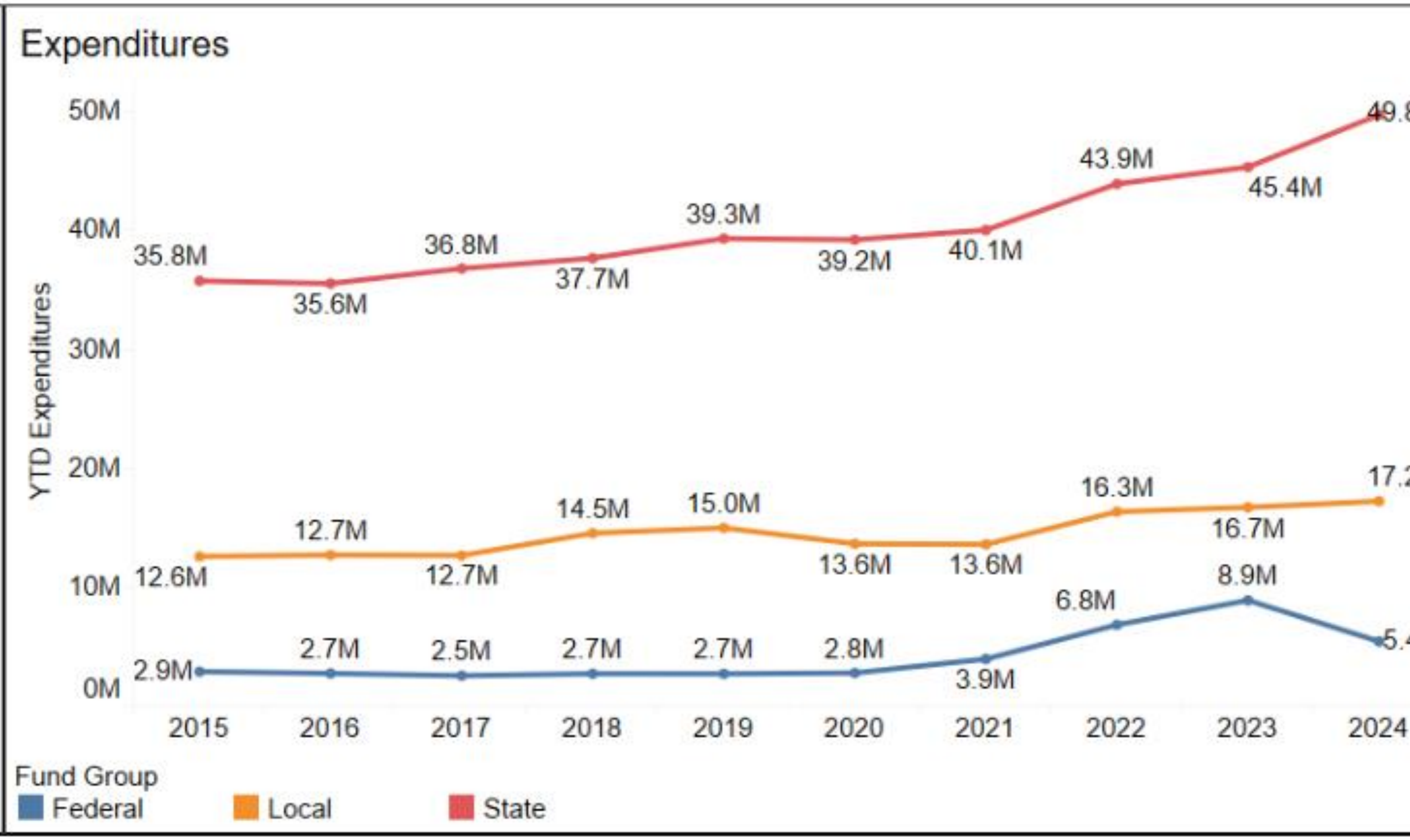
Brian Barnett, County Manager

Davie
COUNTY SCHOOLS

Engage, equip, empower!

District Financial Health Report





Budget Summary

Year over Year Growth

- Local Budget growth – 3.7%
- Salary and Benefit Growth – 5.6%
- Personnel costs are 75.3% of local budget

Capital Outlay

- Growth is 9.7%
- Termination of Ellis Payment
- $40K historical sales tax growth

Facility Maintenance

- Aging Infrastructure
- 3 HVAC fatal failures in the past 2 months

Financial Health of the District

- Our Interlocal Agreement is a key to success
- Strong performance
- Monthly budget reviews
- Always look to build a zero based budget
- Minimal impact to Fund Balance

Program Challenges

New Funding Model

- Funding in Arears
- ADM forecast 6019 vs ADM actual 6012
- Property Tax plays a role in funding formulas – i.e. Low Wealth ($500K)

Exceptional Children

- We are funded at 13% of ADM
- We have 17.5% identified as EC
- FY 2024 $721K local and $1.4MM State impact

Academically and Intellectually Gifted

- We are funded at 4%
- We have 15% identified
- FY 2024 $31K local and $110K State Impact

English Learners

- This is a growing demographic – 45.7%
- Funding does increase with student growth but still not enough
- Funding has grown 63.4% since FY2021

Program Challenges

Behavior Challenges and New Approach

What we have observed

- Office Referral up 48%
- Out of School Suspensions up 12%
- In School Detention up 100%

Key issues

- Aggressive or Inappropriate Behavior
- Disrespectful to Faculty or Not following Directions
- Vape Possession
- Fighting
- Skipping Class

Adjustments to Address Challenges

- Reorganization of Behavior Support Staff
- Targeted Strategies and Programs
- Kintegra Partnership – Therapy Support
- Safety Grant – Training - CPI, Contract Behavior Support - BCPS

On Our Radar

Charter School Spending (57 Students)

- State Legislature Update
- FY 2021 spending - $25,747.60
- FY 2025 Spending - $120,989.96 (Forecast)
- Spending has grown 370% in 4 yrs – Local $

House Budget Certified Teacher Impact

- Impacts Local Funds – BT1, BT2 , and BT3
- 34.8 Local Paid FTE Teachers
- $493,015 Incremental Cost
- Reduces BT1 count for $1MM - 13.38
- Increases local cost 20.4% - $12,667.10

Voucher Impact – Concern for District

- State Forecasted impact - $360,000

On Our Radar

Classified Salary Study

- Certified vs Classified
- 77.90% of classified employees live in Davie County
- 16% in the final 5 years of their career = institutional knowledge loss
- 51% in the first 10 years of their career = limited institutional knowledge
- With increased costs, they are struggling daily to meet the needs of the day
- Build salaries to match the new state salary scales – $1.5MM+
- Small 3% increase would be an impact of – $590K – Tiered progress

STAFFING

Certified Positions

- National teacher shortage and alternative licensing
- Good place – 12 vacancies at this point
- Summer resignations

Classified Positions

- More transition in these roles
- Lost 2 experienced mechanics (47 Years) and only 1 replacement – no school experience
- Lost 1 electrician due to salary – 9 years
- Concern about this trend

Building Administrators

- Strong building leadership
- Diverse mixture of seasoned and growing leaders
- Zero vacancies for next year

SAFETY

OPENGATE Weapons Detectors

- 18 detectors approved by BOE Nov. 12
- Launched January 2025 with middle schools, Central Davie, and Early College
- Davie County High School Feb. 5
- Elementary Schools March 5th and 6th

RAVE Panic Button App

- Provided at no charge by the state
- Only for DCS staff
- With push of a button, 911 is alerted of emergency, along with fellow staff in the building
- There is a drill feature that is live now

Our relationship with the Davie County first responder teams, i.e. Sheriff's office, EMS, Fire, 911 communications, is wonderful and we appreciate that continued support and partnership.


THANK YOU
WAR
EAGLES
DAVIEHUNGERFIGHTERS.ORG