

BUDGET ORDINANCE

BE IT ORDAINED by the Board of Commissioners of Catawba County:

SECTION I

Budget Adoption, 2026/27

The following budget with anticipated fund revenues of \$353,319,157 and departmental expenditures of \$353,319,157 is hereby adopted in accordance with Chapter 159 of the North Carolina General Statutes by the County of Catawba for the fiscal year beginning July 1, 2026, and ending June 30, 2027, and the same is adopted by fund and function as follows:

GENERAL FUND & GENERAL FUND LIKE FUNDS				
REVENUES BY TYPE				
Revenue Type	General	Self-Insurance	Reappraisal	ROD Auto. & Preserv.
Property Tax	\$131,001,500	\$0	\$0	\$0
Sales Tax	50,947,261	0	0	0
Other Taxes	1,581,500	0	0	0
Federal	17,334,633	0	0	0
State	8,208,468	0	0	0
Federal & State	6,348,451	0	0	0
Local	6,019,019	420,250	0	0
Permits & Fees	18,913,175	18,000	0	0
Miscellaneous	4,646,957	0	0	90,000
Fund Balance	8,819,705	124,050	0	20,000
Transfers from Other Funds	1,248,650	3,250,456	1,237,355	0
Other Sources	9,065,872	3,148,000	0	0
Total Revenues	\$264,135,191	\$6,960,756	\$1,237,355	\$110,000
EXPENSES BY FUNCTION				
Function	General	Self-Insurance	Reappraisal	ROD Auto. & Preserv.
General Government	\$12,665,009	\$6,960,756	\$1,237,355	\$110,000
Public Safety	64,136,001	0	0	0
Environmental Quality	1,030,389	0	0	0
Economic & Physical Development	27,036,940	0	0	0
Human Services	63,974,710	0	0	0
Education	55,380,662	0	0	0
Libraries & Culture	4,782,275	0	0	0
Debt Service	29,731,394	0	0	0
Transfers to Other Funds	5,397,811	0	0	0
Total Expenses	\$264,135,191	\$6,960,756	\$1,237,355	\$110,000
GENERAL FUND & GENERAL FUND LIKE FUNDS				

SPECIAL REVENUE FUNDS				
REVENUES BY TYPE				
Revenue Type	Emergency Telephone	Federally Seized Treasury	Federally Seized Justice	Opioid Settlement
State	\$483,028	\$0	\$0	\$948,650
Fund Balance	111,599	50,000	200,000	0
Total Revenues	\$594,627	\$50,000	\$200,000	\$948,650

EXPENSES BY FUNCTION				
Function	Emergency Telephone	Federally Seized Treasury	Federally Seized Justice	Opioid Settlement
Public Safety	\$594,627	\$50,000	\$200,000	\$948,650
Total Expenses	\$594,627	\$50,000	\$200,000	\$948,650

REVENUES BY TYPE				
Revenue Type	Hospital Reserve Fund	Library Endowment	Gretchen Peed Scholarship	Stream Rehab
Local	\$0	\$3,000	\$0	\$0
Miscellaneous	50,000	0	4,000	0
Transfers from Other Funds	0	0	0	75,000
Fund Balance	450,000	0	0	0
Total Revenues	\$500,000	\$3,000	\$4,000	\$75,000

EXPENSES BY FUNCTION				
Function	Hospital Reserve Fund	Library Endowment	Gretchen Peed Scholarship	Stream Rehab
Human Services	\$0	\$0	\$4,000	\$0
Libraries & Culture	0	3,000	0	0
Environmental Quality	0	0	0	75,000
Transfers to Other Funds	500,000	0	0	0
Total Expenses	\$500,000	\$3,000	\$4,000	\$75,000

REVENUES BY TYPE			
Revenue Type	DSS Repr. Payee	Register of Deeds Fund	Fines & Forfeitures
Federal & State	\$400,000	\$0	\$0
Permits & Fees	0	150,000	0
Other Sources	0	0	534,744
Total Revenues	\$400,000	\$150,000	\$534,744

EXPENSES BY FUNCTION			
Function	DSS Repr. Payee	Register of Deeds Fund	Fines & Forfeitures
General Government	\$0	\$150,000	\$0
Human Services	400,000	\$0	\$0
Education	0	0	534,744
Total Expenses	\$400,000	\$150,000	\$534,744

SPECIAL REVENUE FUNDS

SPECIAL REVENUE FUNDS - FIRE SERVICE PROTECTION DISTRICTS**REVENUES BY TYPE**

Revenue Type	Bandys	Catawba	Claremont	Conover
Property Tax - Fire Tax	\$1,435,956	\$430,049	\$718,917	\$187,968
Fund Balance	0	0	0	0
Total Revenues	\$1,435,956	\$430,049	\$718,917	\$187,968

EXPENSES BY FUNCTION

Function	Bandys	Catawba	Claremont	Conover
Public Safety	\$1,435,956	\$430,049	\$718,917	\$187,968
Total Expenses	\$1,435,956	\$430,049	\$718,917	\$187,968

REVENUES BY TYPE

Revenue Type	Cooksville	Hickory	Longview	Maiden
Property Tax - Fire Tax	\$232,127	\$883,877	\$68,927	\$607,532
Fund Balance	0	38,785	0	0
Total Revenues	\$232,127	\$922,662	\$68,927	\$607,532

EXPENSES BY FUNCTION

Function	Cooksville	Hickory	Longview	Maiden
Public Safety	\$232,127	\$922,662	\$68,927	\$607,532
Total Expenses	\$232,127	\$922,662	\$68,927	\$607,532

REVENUES BY TYPE

Revenue Type	Mt. View	Newton	Oxford	Propst
Property Tax - Fire Tax	\$1,124,229	\$1,179,011	\$535,858	\$484,018
Fund Balance	13,589	0	64,696	0
Total Revenues	\$1,137,818	\$1,179,011	\$600,554	\$484,018

EXPENSES BY FUNCTION

Function	Mt. View	Newton	Oxford	Propst
Public Safety	\$1,137,818	\$1,179,011	\$600,554	\$484,018
Total Expenses	\$1,137,818	\$1,179,011	\$600,554	\$484,018

REVENUES BY TYPE

Revenue Type	Sherrills Ford	St. Stephens
Property Tax - Fire Tax	\$5,253,125	\$2,002,257
Fund Balance	125,000	64,572
Total Revenues	\$5,378,125	\$2,066,829

EXPENSES BY FUNCTION

Function	Sherrills Ford	St. Stephens
Public Safety	\$5,378,125	\$2,066,829
Total Expenses	\$5,378,125	\$2,066,829

SPECIAL REVENUE FUNDS - FIRE SERVICE PROTECTION DISTRICTS

CAPITAL FUNDS				
REVENUES BY TYPE				
Revenue Type	General Capital	Road Improvement	Schools' Capital	Schools' Construction
Sales Tax	\$628,000	\$0	\$9,747,000	\$0
State	\$0	\$0	\$0	\$0
Local	0	0	0	0
Permits & Fees	0	0	0	0
Miscellaneous	0	0	0	0
Fund Balance	150,000	0	211,456	1,500,000
Transfers Between Funds	835,000	0	1,100,000	6,407,566
Other Sources	0	0	0	0
Total Revenues	\$1,613,000	\$0	\$11,058,456	\$7,907,566

EXPENSES BY FUNCTION				
Function	General Capital	Road Improvement	Schools' Capital	Schools' Construction
General Government	\$150,000	\$0	\$0	\$0
Economic & Physical Development	\$703,000	\$0	\$0	\$0
Human Services	\$660,000	\$0	\$0	\$0
Education	\$0	\$0	\$11,058,456	\$7,907,566
Libraries & Culture	\$100,000	\$0	\$0	\$0
Total Expenses	\$1,613,000	\$0	\$11,058,456	\$7,907,566

REVENUES BY TYPE			
Revenue Type	SECC Capital	Water & Sewer Capital	Solid Waste Capital
Fund Balance	\$0	\$0	\$1,251,314
Transfers Between Funds	\$0	\$4,714,000	\$4,486,686
Other Sources	\$0	\$0	\$11,127,000
Total Revenues	\$0	\$4,714,000	\$16,865,000

EXPENSES BY FUNCTION			
Function	SECC Capital	Water & Sewer Capital	Solid Waste Capital
Economic & Physical Development	\$0	\$4,714,000	\$16,865,000
Total Expenses	\$0	\$4,714,000	\$16,865,000

CAPITAL FUNDS

ENTERPRISE FUNDS

REVENUES BY TYPE			
Revenue Type	SECC Operating	Water & Sewer Operating	Solid Waste Management
Sales Tax	\$0	\$1,517,000	\$0
Other Taxes	0	0	465,000
State	0	0	44,800
Permits & Fees	0	4,396,600	10,955,430
Miscellaneous	0	0	152,831
Fund Balance	0	884,250	1,391,408
Total Revenues	\$0	\$6,797,850	\$13,009,469

EXPENSES BY FUNCTION			
Function	SECC Operating	Water & Sewer Operating	Solid Waste Management
Economic & Physical Development	\$0	\$6,797,850	\$13,009,469
Total Expenses	\$0	\$6,797,850	\$13,009,469

ENTERPRISE FUNDS

Appropriations within each fund and function are under the purview of specific departments or the County Manager. The following procedures, controls, and authorities shall apply to transfers and adjustments within the budget except for the budgets of the Reinventing Departments as shown in Section II.

- A. **Transfers Between Departments and Funds:** Transfers of appropriations between departments in a fund, between funds, and from contingency shall be approved by the Board of Commissioners or may be approved by the County Manager in conformance with all of the following guidelines:
 - 1. The County Manager finds they are consistent with operational needs and any Board-approved goals.
 - 2. Transfers between departments and funds do not exceed \$50,000 each.
 - 3. Transfers from Contingency appropriations do not exceed \$50,000 each unless the County Manager finds an emergency exists.
 - 4. All transfers between departments in a fund, between funds, and from contingency are reported to the Board of Commissioners by its next regular meeting following the date of the transfer (with the exception of performance awards and reclassification/pay inequity funds, which the County Manager has the authority to transfer).
- B. **Transfers within Departments and Activities:** Department Heads may transfer line item appropriations between and within activities within the departments under their jurisdiction with the approval of the Budget and Management Director.
- C. **Transfers of Appropriations from Contingency or Departments for Real Estate Transactions:** Transfers of appropriations from Contingency or departments may be made by the County Manager in order to secure options, pay deposits, or pay other necessary expenses related to real estate transactions approved by the Board of Commissioners.
- D. **Transfers of Capital Projects Appropriations:** Transfers of appropriations up to \$50,000 between projects within a capital project fund may be approved by the County Manager. All transfers between projects are reported to the Board of Commissioners by its next regular meeting following the date of the transfer.
- E. **Transfers of Appropriations from Special Departmental Expense and Revenue Contingencies:** Transfers of appropriations may be made by the Budget and Management Director from special departmental expense and revenue contingency accounts that have been set aside to accommodate mid-year adjustments for allocations from outside agencies. The budget for such special departmental contingency expenditures will not be used until revenues are received and the related funds are transferred out of the contingency accounts to an appropriate line item.

SECTION II

Amendment to Procedures, Controls, and Authorities for Reinventing Departments

The following procedures, controls, and authorities shall apply to transfers, personnel, and adjustments within the budget for the Reinventing Departments, as determined by the County Manager:

- A. The Board of Commissioners will appropriate funds for the Reinventing Departments based on approved outcomes to be achieved during the fiscal year.
- B. Department Heads are hereby authorized to transfer appropriations between activities or from special department contingencies under their jurisdiction with the approval of the Budget and Management Director. Requests for transfers from the General Fund contingency must be approved by the County Manager. The budget for such special departmental contingency expenditures will not be used until revenues are received and the related funds are transferred out of the contingency accounts to an appropriate line item. Department Heads within the Reinventing Departments are hereby authorized to reallocate existing positions between activities under their jurisdiction.
- C. Reinventing Departments will be allowed to retain all unexpended allocations and/or revenues as defined by the County Manager.
- D. Reinventing Departments may create or abolish positions which impact the outcomes approved by the Board of Commissioners. Changes will be reported at the next regularly scheduled Board of Commissioners' meeting following approval of the change by the County Manager and will be attached as part of the minutes.

SECTION III

Tax Levy Rate

A tax rate of \$0.3985 per \$100 of assessed valuation is hereby levied for Fiscal Year 2026/27, all of which is levied in the General Fund. No discounts will be allowed for early payment of taxes.

The following rates are levied for fire protection service districts:

Fire Protection Service District	Levied Tax Rate Per \$100 Valuation
Bandys Fire	\$0.1050
Catawba Rural Fire	\$0.1170
Claremont Rural Fire	\$0.1300
Conover Rural Fire	\$0.1000
Cooksville Fire	\$0.0785
Hickory Rural Fire	\$0.1250
Longview Rural Fire	\$0.1000
Maiden Rural Fire	\$0.0983
Mt. View Fire	\$0.0855
Newton Rural Fire	\$0.1210
Oxford Fire	\$0.0610
Propst Fire	\$0.0720
Sherrills Ford Fire	\$0.0990
St. Stephens Fire	\$0.1240

SECTION IV

Hospital Fund

The Catawba Valley Medical Center Board of Trustees is hereby required to submit a monthly copy of its financial statements to the County Chief Financial Officer that will include a budget to actual comparison of all expenses and revenues. The Hospital maintains a balance with the County, in the Hospital Reserve Fund. This Fund is intended to be used to finance and construct major Hospital capital projects, if needed, and the school nurse program at Public Health. Catawba Valley Medical Center is a public non-profit hospital and an entity or component unit of Catawba County Government. The County owns the assets but the Hospital is not a line department of the County and therefore is not included in the County budget. The Hospital is authorized to operate as an enterprise fund.

SECTION V

Schools' Current Expense

The allocation of general revenues for the schools' current expense per school system is \$2,189 per pupil based on the average daily membership of K-12, \$67 per pupil of which is budgeted in support of schools cooperating on Catawba County Schools' Bus Garage and Newton-Conover City Schools' Conover School for Exceptional Children.

In accordance with the School Budget and Fiscal Control Act, each Board of Education is required to submit to the Board of Commissioners, as soon as adopted, a copy of the School Board's budget resolution. The school finance officer will submit a quarterly statement of the financial condition of the Administrative unit to the Board of Commissioners.

SECTION VI

Southeastern Catawba County (SECC) Water and Sewer District

The SECC Water and Sewer District was established by the Board of Commissioners in accordance with Chapter 162A of the North Carolina General Statutes effective May 9, 2021. The district is a separate legal entity that operates as an enterprise fund, with a separate governing body comprised of the Board of Commissioners. As such, the district is accounted for as a blended component of the County with district revenue and expenditures reflected in the County budget.

SECTION VII

Capital Projects, Grants, and Economic Development Incentive Contracts

Project Managers will be designated for all County construction projects, and the procedures set forth in Chapter 8 of the Catawba County Code of Ordinances shall be used to coordinate the efforts of all parties involved in a project. Any changes in the cost estimate, as a result of bids or otherwise, shall be reported by the Project Manager, along with his or her recommendation of approval to the Board of Commissioners. When compiled and approved by user agencies, all

projects must conform to the Catawba County Design and Construction Specifications.

In accordance with the School Budget and Fiscal Control Act each school system will submit to the County Budget and Management Director detailed project sheets for each capital project included in this budget.

The General Capital Projects Fund, the Hospital Construction Fund, the Water and Sewer Fund, SECC Water and Sewer District Fund, the School Capital Outlay Fund, the School Bond Capital Projects Fund, the Schools' Construction Fund, the Fire Districts Funds, and the Community Development Fund are hereby authorized. Appropriations made for the specific projects or grants in these funds are hereby appropriated until the project is completed. Balances remaining as of June 30, 2026, in previously appropriated water and sewer capital projects located within the SECC Water and Sewer District Service Area are hereby authorized to be transferred to the district fund.

Any grant, capital project budget, or economic development incentive contract previously appropriated in any fund, the balance of any anticipated, but not received, revenues and any unexpended appropriations remaining on June 30, 2026, shall be reauthorized in the Fiscal Year 2026/27 budget unless a specific new budget has been prepared.

SECTION VIII

Emergency Approvals, Schools

Emergency transfers to and from the School Capital Outlay Fund shall be in accordance with the School Budget and Fiscal Control Act.

SECTION IX

Annual Financial Reports

All agencies receiving County funding are required to submit an audit report by December 31, 2026. Approved payments may be delayed pending receipt of this financial information.

SECTION X

Fees and Licenses

Charges for fees and licenses by Catawba County Departments or Agencies shall be in accordance with the fee policy. Fee changes to be adopted by the Board of Commissioners are set forth in the Fee Updates section of the Executive Summary and the entire fee schedule is included in the Appendix.

SECTION XI

Per Diem Pay

The Board of Commissioners and members of County boards are authorized to receive per diem pay as reflected in the table below. Annually, the Board of Commissioners' per diem pay rate will increase at a level consistent with changes in the Consumer Price Index, provided the budget includes a performance pay increase for employees meeting performance expectations as determined by annual evaluations.

Per Diem Pay	
Board	Pay
Alcoholic Beverage Control Board	Chair, \$75 per meeting; Members, \$50 per meeting
Board of Adjustment	Chair, \$50 per meeting; Members, \$35 per meeting
Board of Commissioners	Chair, \$1,615 per month; Members, \$1,355 per month; In-County Travel Allowance, \$350 per month
Board of Elections	Chair, \$75 per meeting; Members, \$50 per meeting; \$100 for Election Day
Equalization & Review Board	Chair, \$50 per meeting; Members, \$35 per meeting
Jury Commission	Chair, \$50 per meeting; Members, \$35 per meeting
Library Board	Chair, \$50 per meeting; Members, \$35 per meeting
Planning Board	Chair, \$50 per meeting; Members, \$35 per meeting
Public Health Board	Chair, \$50 per meeting; Members, \$35 per meeting
Social Services Board	Chair, \$50 per meeting; Members, \$35 per meeting
Subdivision Review Board	Chair, \$50 per meeting; Members, \$35 per meeting

SECTION XII

Personnel

- A. Salaries – Salaries for Fiscal Year 2026/27 are based on the Fiscal Year 2026/27 pay plan for Catawba County that is adopted as a part of this budget and is effective July 1, 2026. The budget includes a 3 percent pay plan adjustment for all employees and additional adjustments for targeted positions based on market. Funds are included for a 2 percent performance pay increase for employees who satisfy performance expectations as reflected in employees' annual performance evaluations.
- B. Performance Awards – Funds are allocated in the budget to provide one-time lump sum performance awards to recognize exceptional performance at the discretion of the County Manager.
- C. Reclassifications/Pay Inequities – Funds are allocated in the budget to maintain equity between similar positions within the organization and to ensure market competitiveness within the County's recruiting area.
- D. Travel Allowance – The travel allowance rate will be according to the IRS reimbursement rate.
- E. Special Payment – Positions that require specialized skills may be compensated by a special payment. This payment will only occur while the employee is serving in that capacity. This special payment is not considered a part of the annual base pay for classification. The amount of special payment is to be approved by the County Manager upon a recommendation by the Human Resources Director.

SECTION XIII

Budget Policy for State and Federal Fund Decreases

It will be the policy of this Board that it will not absorb any reduction in State and Federal funds; that any decrease shall be absorbed in the budget of the agency by reducing personnel or department expenditures to stay within the County appropriation as authorized.

This policy is extended to any agency that is funded by the County and receives State or Federal money. This shall remain in effect until otherwise changed or amended by the Board of Commissioners. The County Manager is hereby directed to indicate this to each of the agencies that may be involved.

SECTION XIV

Reappraisal Fund

In accordance with the provisions of G.S. 153A-150, an appropriation of \$1,237,355 will be made from the General Fund to the Reappraisal Fund for the purpose of providing funds for the next reappraisal.

SECTION XV

Fiscal Control Act

The Budget and Management Director and the Chief Financial Officer are hereby directed to make any changes in the budget or fiscal practices that are required by the Local Government and Fiscal Control Act. This shall extend to permitted consolidations of funds and "Single Tax Levies" permitted in the Fiscal Control Act.

- A. As provided by G.S. 159-25 (b), the Board has authorized dual signatures for each check or draft that is made on County funds. The signatures of the County Manager, Chief Financial Officer, Assistant County Manager, and Assistant Chief Financial Officer shall be authorized signatures of the County.
- B. Operating funds encumbered on the financial records of the County as of June 30, 2026, are hereby re-appropriated to this budget.
- C. The Board authorizes the appropriation of all Fund Balances earned by the Reinventing Departments as determined by the County Manager and as a result of the County's annual audit of June 30, 2026.
- D. The Board authorizes the appropriation of all remaining balances of approved economic development incentive contracts as determined by the County Manager and as a result of the County's annual audit of June 30, 2026.
- E. The Board also authorizes (as is the practice) one principal account as depository for all funds received by the Chief Financial Officer from any source. Current accounting techniques shall be used to assure that all funds will be properly accounted for in the financial records of the County.

SECTION XVI

Authorization to Contract

The County Manager or her designee is hereby authorized to execute agreements, within funds included in the Budget Ordinance or other actions by the Board of Commissioners, for the following purposes: 1) Form grant agreements to public and non-profit organizations; 2) Leases of routine business equipment; 3) Consultant, professional, or maintenance service agreements; 4) Purchase of supplies, materials, or equipment where formal bids are not required by law; 5) Applications for and agreements for acceptance of grant funds from Federal, State, public, and non-profit organization sources, and other funds from other government units, for services to be rendered which have been previously approved by the Board; 6) Construction or repair projects; 7) Liability, health, life, disability, casualty, property, or other insurance or performance bonds other than similar items required by the Sheriff or Register of Deeds; and 8) Other administrative contracts which include agreements adopted in accordance with the directives of the Board of Commissioners.

SECTION XVII

Authorization to Award and Reject Bids

Pursuant to General Statute 143-129, the County Manager is hereby authorized to award formal bids received in amounts less than \$250,000 within the following guidelines: 1) bid is awarded to the lowest responsible bidder; 2) sufficient funding is available within the departmental budget; and 3) purchase is consistent with the goals and/or outcomes of the department. The County Manager shall further be authorized to reject any and/or all bids received if it is in the best interest of Catawba County.

SECTION XVIII

Micro-purchase Threshold

In accordance with 2 C.F.R. § 200.320(a)(1)(iv) and the applicable provisions of North Carolina law, the County hereby self-certifies the following micro-purchase thresholds, each of which is a "higher threshold consistent with State law" under 2 C.F.R. § 200.320(a)(1)(iv)(C):

- A. \$30,000, for the purchase of "apparatus, supplies, materials, or equipment"; and
- B. \$30,000, for the purchase of "construction or repair work"; and
- C. \$50,000, for the purchase of services not subject to competitive bidding under North Carolina law; and
- D. \$50,000, for the purchase of services subject to the qualifications-based selection process in the Mini-Brooks Act; provided that such threshold shall apply to a contract only if the County has exercised an exemption to the Mini-Brooks Act, in writing, for a particular project pursuant to G.S. 143-64.32. If the exemption is not authorized, the micro-purchase threshold shall be \$0.

The self-certification made herein shall be effective as of the effective date of this ordinance and shall be applicable until June 30, 2027, but shall not be applicable to Federal financial assistance awards issued prior to November 12, 2020, including financial assistance awards issued prior to that date under the Coronavirus Aid, Relief, and Economic Support (CARES) Act of 2020 (Pub. L. 116-136).

In the event that the County receives funding from a federal grantor agency that adopts a threshold more restrictive than those contained herein, the County shall comply with the more restrictive threshold when expending such funds.

The County shall maintain documentation to be made available to a Federal awarding agency, any pass-through entity, and auditors in accordance with 2 C.F.R. § 200.334.

The Catawba County Purchasing Manager and Clerk are hereby authorized, individually and collectively, to revise the County's Purchasing Ordinance and Policy to reflect the increased micro-purchase thresholds specified herein, and to take all such actions, individually and collectively, to carry into effect the purpose and intent of the foregoing resolution.

This ordinance is adopted this 15th day of June 2026.

A handwritten signature in black ink, appearing to read 'C. Randall Isenhower', written over a horizontal line.

C. Randall Isenhower, Chair

A handwritten signature in black ink, appearing to read 'Mary S. Furtado', written in a cursive style.

Mary S. Furtado, County Manager