



# PERQUIMANS COUNTY BOARD OF COMMISSIONERS

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June 2, 2026

## To: Commission Chair, Board of Commissioners, and Citizens of Perquimans County

I respectfully submit the proposed budget for Perquimans County for the Fiscal Year 2026-2027. The budget has been prepared in accordance with the North Carolina Local Government Budget and Fiscal Control Act. The budget identifies the estimated revenues and expenditures for the Fiscal Year 2026-2027.

### Proposed Tax Rate

As in years past, the County's budget process calls for department heads and other agencies to submit budget requests to the County Manager, ultimately being presented to you. In total, the requests amounted to approximately \$29.7 million. That's more than \$4 million dollars more than anticipated revenues for the upcoming fiscal year. The tax rate would have to be 19 cents higher to fully fund all requests of Perquimans County for the next year.

Total taxable value increased from \$2,038,025,494 to \$2,198,228,745. Budgeted sales tax revenues are expected to increase by over \$138,000 over the current fiscal year final projected amount. I project that we're going to use around \$1.8 million of fund balance appropriation for fiscal year 25/26 budget. The proposed FY 26/27 budget allocates \$1,512,624 of fund balance.

The proposed tax rate for fiscal year 2026-2027 is 55 cents per hundred dollars of value, an increase of 3 cents over the current 52 cent rate. When compared to other Counties in the region, Perquimans' tax rate will remain among the lowest in northeastern North Carolina.

### Financial Discussion

The County remains in excellent financial condition, and we will continue to make substantial investments in school spending, public safety, and personnel, while inflation is steadily driving up the cost of what it takes to do so. The County will take over ownership and maintenance of the Grammar School and Middle School once the Intermediate School opens in the fall of 2026.

There are several factors that have affected the expenditure projections for the upcoming fiscal year. First, the cost of insurance for employees is projected to increase by at least 5% to just less than \$10,000 per employee for the year. Because Perquimans is a member of the State Health Plan and participates in the State's pension plan, there is an additional 2.4% that we must cover in this budget for each member. For general employees the retirement contribution rate is 17.53%, up

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from 14.39% last year. For Law Enforcement Officers the rate is 24.5%, where last year was 21.08%.

Second, an almost complete salary study, that proposes bringing the county employees closer to market rates will add roughly 3% to the salary line items and subsequently benefits associated with that. The salary study final report also makes recommendations on changing the step and grade pay scale to a career long plan.

Third, and a burden that will continue to grow in the coming fiscal years, is the reduction in funding for Social Service work through HR 1. Reimbursables that were eligible at 50% fall to 25% and included changes to SNAP. Some clients will now have to prove they meet work requirements to continue receiving benefits in the programs.

Budget wide, capital requested needs have been funded at various levels. In the past few budget cycles, capital expenses have been completely cut. At some point those needs cannot be put off any longer. Included in those is a financing package that has no impact to FY 26-27 budget but will in future years. The package includes 8 patrol cars for the Sheriff Department, in car laptops and equipment and much needed EMS equipment that include heart monitors and Lucas devices.

## **General Fund Budget Summary**

The General Fund budget is \$27,141,980.74 for 2026-2027, an increase of \$2,095,334.48 from the current year's amended budget of \$25,046,646.26.

### General Fund Revenues

Property taxes account for most of the general fund revenues, and I've already described the conditions as they relate to real property taxation.

Sales tax revenues are the second largest source of County general fund revenues. Budgeted sales tax revenues are projected to increase by a total of \$537,783 compared to last year's budgeted amount, for a total of \$3,437,783.00.

\$675,000 is forecast to be added to Perquimans' sales tax allocation to reflect the additional services taxed by the General Assembly in 2016. Medicaid hold harmless payments from the State, which are tied directly to sales tax calculations, and are projected at \$200,000. Expected Land Transfer Tax revenues in FY 2026-27 are \$1,137,000.

### General Fund Expenses

Most of the departmental operating budgets remain similar to the current budget year, as percentages. By way of comparison, the largest General Fund expenses by department or agency are as follows:

Department/Agency	Proposed FY 26-27	% of Total GF
Perquimans County Schools	\$5,971,490	22%
Social Services	\$3,955,623.58	14.5%
Sheriff	\$2,946,273.33	11%
Emergency Medical Services	\$3,134,972.41	11%
911 Communications	\$1,200,947.85	4.4%
Albemarle District Jail	\$1,277,796	5%

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### School Funding

As presented by the Board of Education and school central office staff earlier this spring, the Perquimans County School System has requested \$4,164,180 for school current expenses, an increase of \$564,180 over last year's County appropriation of \$3,600,000. The local current expense requested increase centers mostly around additional personnel and benefit cost, utility increases, pre-K costs, and child nutritional costs.

The proposed FY 2026-27 County budget sets the local current expense budget at \$3,882,090.00. The increased request and subsequent allocation will help cover expenses mentioned above. Also, the County took on additional annual debt service in the amount of \$637,800 for the new Intermediate School. Maintaining appropriation funding and paying the new debt service payment continues to be a significant contribution by the County Board of Commissioners to fund new facilities, instructional services, support services, athletics, maintenance and utilities. The school capital outlay budget is the same as the requested amount; \$615,000.

### Building and Facility Initiatives/Capital Outlay

A significant increase in building maintenance is due to vacating the Grammar and Middle Schools. The County will have to cover the costs associated with keeping the schools in a condition that will make them useful once a repurpose is found. In years past there has been no capital expenditure, this budget frees up some funds for capital needs that have been put off. Some larger expenses include a portion of a new ambulance, fencing at the recreation center playground, new weapons for the Sheriff Deputies and another vehicle for DSS.

### Personnel

The proposed FY 2026-27 budget contains a roughly 3% increase to the salary line items and benefits bases on those, to cover a minimal option of implementation for the salary study. Steps and merits remain active for this budget, with an updated step and grade chart, one that is designed for a career with the County.

Included is a 2% 401k match for employees, and the continuation of longevity pay for those that qualify.

Perquimans County participates in the State Health plan, and health insurance rates are projected to cost \$9,985 per employee per year. This amount includes a projected 5% increase in rates beginning in January.

### Other Noteworthy Items

- Funding for the County Fire Departments increases to \$145,000 each, up from \$115,000 per department last year.
- Funding for the Perquimans County Library will be \$254,754.
- Funding for the Tri-County Animal Shelter will increase to \$161,000 to facilitate staff raises from the salary study in Chowan County and kennel additions and improvements.
- The Albemarle District Jail budget was reduced for Perquimans County by around \$22,000 due to Chowan County joining the Albemarle District Jail Authority.

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## **Water Fund**

Perquimans continues to make significant investment in its overall ability to provide water to its customers. Perquimans will continue to purchase 150,000 gallons of reverse osmosis water from Pasquotank County that services customers on the Winfall plant side. The bulk water rate that Pasquotank County charges is \$7.77 per thousand gallons.

Water rates will remain at \$17.50 for a minimum bill and \$9 per thousand after the first thousand. There is a total increase in the budget projected of \$364,649.43. Salt and chemical supplies have increased significantly from year to year. Other capital expenditures include a first phase of remote read meters purchase and installs, expected to cost around \$500,000.

The total water fund budget for the Fiscal Year 2026-27 is \$3,383,950.16.

## **Solid Waste Fund**

The proposed solid waste fee for FY 26-27 is \$190, no change from last fiscal year. This fee covers the cost of operating the five Convenience Site locations, the County's portion of the Perquimans-Chowan-Gates Transfer Station operating cost, and the tipping fee for the County's solid waste at the private landfill in Bertie County. All these operational costs have increased significantly over the past couple of years and a new recycling contract may require an increase in fees in the near future. The total solid waste fund budget is projected at \$1,430,000.

## **Conclusion**

I'd like to thank the Department Heads for their cooperation, coordination and hard work in this budget process. I would also like to thank the Board of Commissioners for your input in the budget discussions and for making difficult, but important decisions on behalf of the citizens of Perquimans County. Finally, I'd like to thank County staff: Rebecca Corprew- Clerk to the Board; Casey White- Human Resources; and Bill Jennings and Kim Bray of the Tax Office, for their assistance and guidance in this process and especially Finance Officer Tracy Mathews. Without their help and expertise, this process could not have been completed.

At the request of the Chairman and Board of Commissioners, a public hearing has been scheduled for Monday, June 15, 2026, at 7:00 p.m. in the Perquimans County Library for public comment and to consider adoption of the budget.

Submitted by:

Brandon S. Shoaf  
County Manager/Budget Officer

Attachments: Draft Budget Ordinance, 2026-27 Fiscal Year and Fee Schedule

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