

## Introduction

The Budget in Brief summarizes the adopted Catawba County Fiscal Year 2015/16 Budget in the amount of \$235,495,973 (including transfers). The fiscal year begins July 1, 2015, and ends June 30, 2016. The Board of Commissioners began the budget process by establishing goals and objectives for the County to achieve. The budget was presented to the Board on May 18, 2015. Departmental hearings were held with the Board on May 26, 2015, with a Public Hearing on May 28, 2015, and final budget adoption on June 1, 2015. If you would like to view the budget in its entirety, please visit our [web site](#).

## Property Revaluation

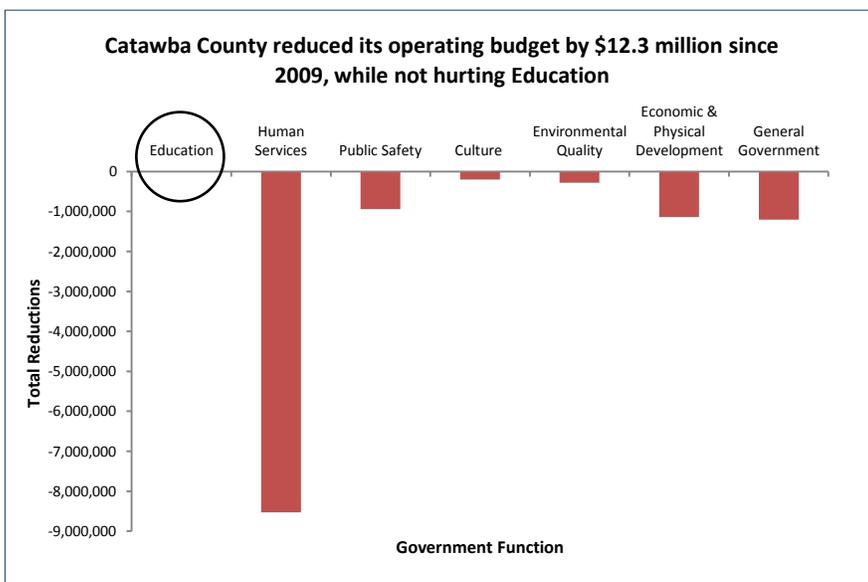
A County-wide property revaluation went into effect on January 1, 2015. While Catawba County's economy has shown consistent signs of economic recovery on the heels of the recession, the 2015 revaluation was, by law, based on the last 4 years of sales. This resulted in a 5.88 percent decrease in Countywide real property values, which translated into \$5.96 million less in property tax revenue to support critical community services. The revenue neutral rate—the tax rate that would generate the same amount of revenue as last year's rate, taking into account any increase or decrease to property tax base—would be \$0.5678. Additionally, the county faced significant EMS service expansion and jail capital pressures that when added to the revenue neutral rate would bring the tax rate to at least \$0.5868.

## Catawba County Response

The County responded to the impacts of revaluation by responsibly making reductions and increasing the property tax rate to support critical county services and quality of life.

### Reductions

The County takes its fiscal stewardship responsibility seriously. Since 2009, the County has reduced expenses a total of \$12.3 million while holding education harmless. In an effort to maintain the lowest possible tax rate while still addressing necessary services, the recommended and adopted budget reflected an additional \$1.5 million in operating reductions across all departments.



### Board of Commissioners Goals for Fiscal Year 2015/16

1. In partnership with the private sector and assistance from state government, support the creation of jobs and property tax base and the development of the County's workforce. Specific strategies include:
  - a. Support the enhancement of workforce development programs and efforts, working with educators and the private sector to train the workforce for jobs from existing and new employers that will be available through the efforts of the EDC.
  - b. Partner with the private sector to aggressively implement Innovate Catawba strategies.
  - c. Review incentive guidelines to ensure they are competitive but reasonable in terms of return on investment
  - d. Develop, with the EDC and Hickory, parameters of investment for Park 1764
  - e. Continuously monitor County regulations to ensure they support orderly growth and business development.
  
2. Review the County's emergency management program for improvements designed to provide efficient and effective pre-hospital emergency services, improve public safety, minimize property damage, and protect areas from disasters.
  
3. Continue advocacy for improvements to Highway 16 and Highway 150 as major corridors, in order to increase economic development and citizen and tourism access.



### Service Pressures & Capital Expansion

#### Ensuring Safe Places

- Maintaining the 8-minute average EMS response time performance goal by adding six paramedic (four for Mountain View two for Bandys) to adequately respond to increased call volume.
- In response to the surge in inmate population, increasing crime rates, and Burke County's recent decision to close the shared district confinement facility, funding an expansion of the Catawba County Detention Center to provide 256 new inmate beds, with construction to begin in Fiscal Year 2017/18.
- Improving Sheriff case management and clearance rates of criminal cases with the help of an additional Criminal Investigator.

#### Preserving & Enhancing Community Character

- Reinstating 6-day per week operating schedule at Riverbend, Bakers Mountain, and St. Stephens Parks.

#### Promoting Economic Opportunity & Enhancing Quality of Life

- Increasing investment in public schools to \$36,947,508 (.51% increase), dedicating \$1,483 per student in current expense funding (Catawba County Schools, Hickory City Schools, and Newton-Conover City Schools)
- Increasing support for Catawba Valley Community College to \$3,904,289 (1.7%), to maintain the County's statewide rank of 15<sup>th</sup> highest in total current expense funding.

#### Property Tax Rate

The budget establishes a property tax rate of \$0.575 for every \$100 of valuation, which will be held constant for four years barring State decisions affecting the County's revenue stream or service responsibilities. This rate will enable the County to address needed EMS service expansion and jail capital needs, important to maintaining the quality of life the community has grown accustomed to and ensuring the County does not fall behind in providing basic services. *This is the first property tax rate increase since Fiscal Year 2007/08.*



### Economic Development

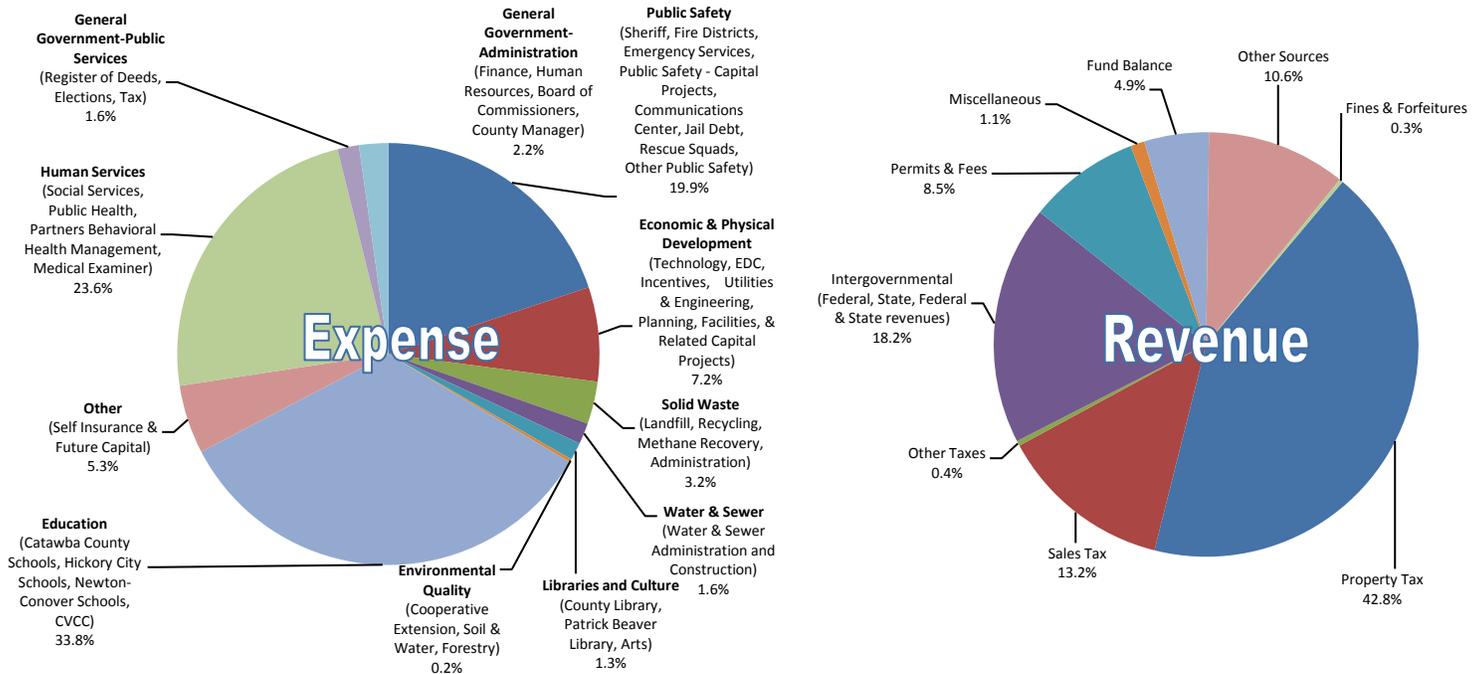
Catawba County has successfully diversified and balanced its traditional manufacturing base of furniture, textile, and telecommunications. Over the last 10 years the Trade, Transportation, & Utilities; Education & Health Services; and Professional and Business Services sectors have all expanded. In this post-recession period, comprehensive efforts are being directed at identifying and recruiting new sectors in manufacturing such as biomedical, pharmaceutical, technology and building products. Economic development announcements in the past year include over \$267 million in new investment and 327 jobs. Additionally, the County will continue to identify and recruit non-manufacturing sectors such as retail development.

### County's Financial Position

Catawba County is financially healthy and has maintained an Aa1 bond rating from Moody's for five consecutive years and an AA rating from Standard and Poor's for 10 consecutive years. The County will seek to improve these ratings over the next year. The County ended Fiscal Year 2013/14 with a General Fund fund balance of \$35.4 million (21.61 percent), which exceeds the Board of Commissioners' goal of 16% and the Local Government Commission's recommended 8%.

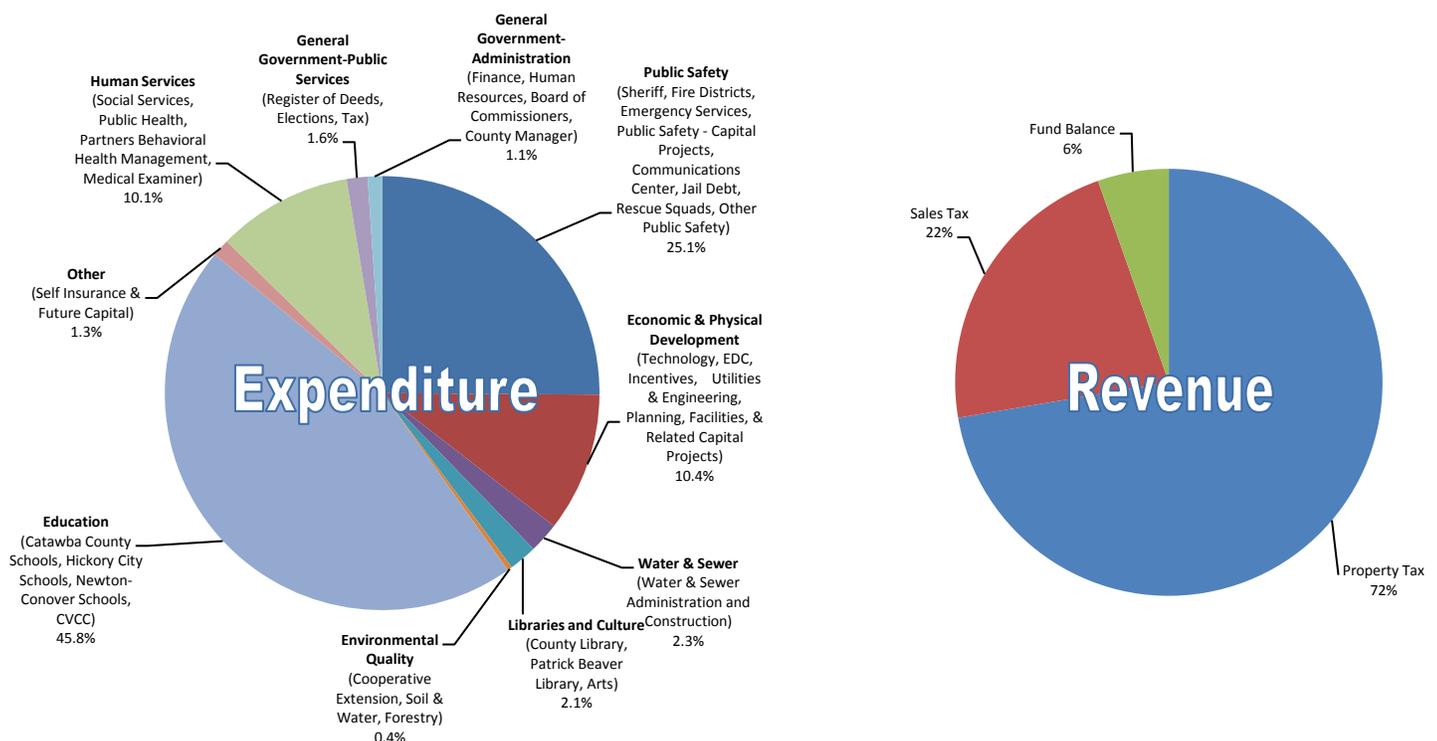
## Total Budget Expense & Revenue

The General Fund is the County's chief operating fund. In Fiscal Year 2015/16 the General Fund is \$184,515,459. Total County budget (including all funds and excluding transfers of \$12,835,247) is \$222,660,726.



## Local Property & Sales Tax Expense & Revenue

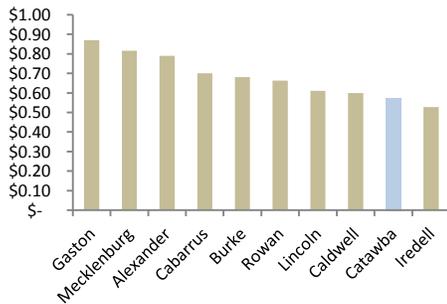
Below reflects the allocation of the County's local funds (property tax, sales tax, and related fund balance) totaling \$127,477,508. Education funding is the largest County expenditure, followed by Public Safety.



## Peer County Comparisons

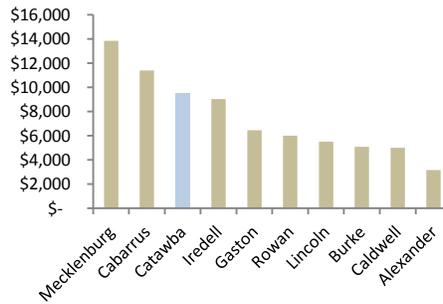
### Property Tax Rate

Catawba County's tax rate of \$0.575 for every \$100 is the 8<sup>th</sup> lowest tax rate of North Carolina's 27 urban counties (with a population over 100,000) and the 2<sup>nd</sup> lowest among Catawba's neighboring counties.



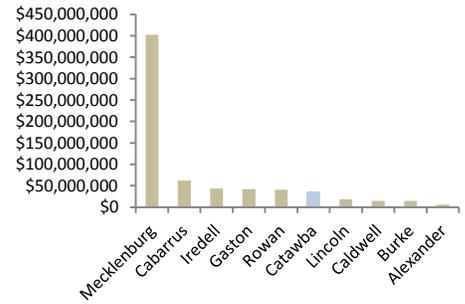
### Taxable Sales Per Capita

Sales Tax is the second largest revenue source for the County, which has greatly benefited from being a regional retail hub, ranking 3rd in Taxable Sales per Capita among neighboring counties thru April 2015.

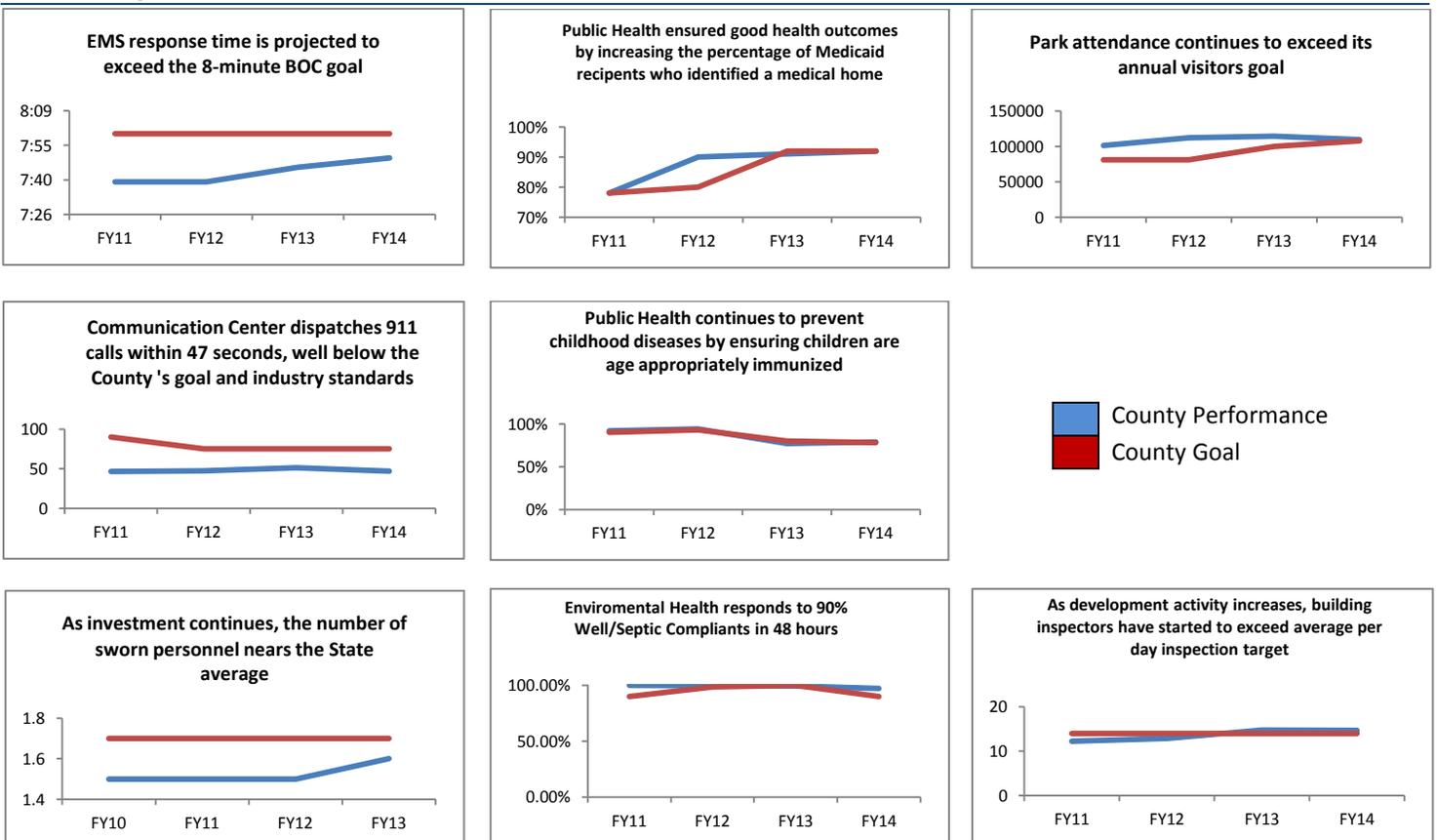


### Current Expense Funding

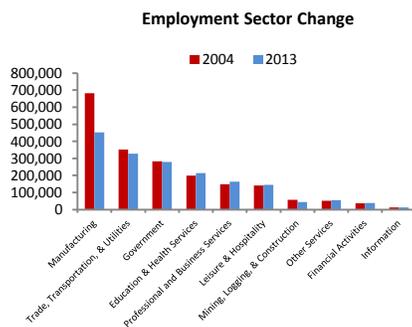
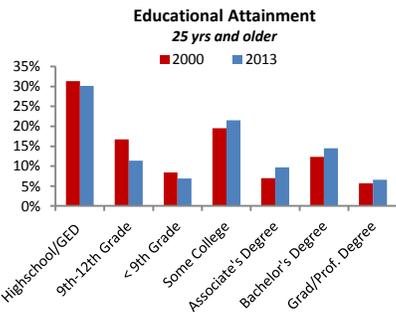
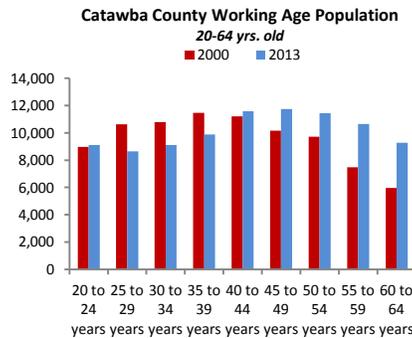
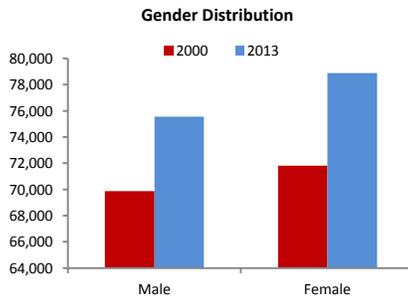
Current Expense funding assists with operating needs including instructional programs and support services for the County's 3 public schools. The County is expected to maintain its ranking of 15<sup>th</sup> in total current expense funding.



## County Performance



# Demographics



## History & Location

Named for the Catawba Indians who resided in the area prior to European settlement in 1747, Catawba County (est. 1842) is located in a peaceful valley just east of North Carolina's Blue Ridge Mountains. The center of the Greater Hickory metro area, Catawba County is conveniently located within a 1-hour drive to Charlotte, Asheville, and Winston-Salem, and affords easy access to both Interstate 40 and Highway 321. The County's mid-Atlantic location is halfway between New York and Miami and includes a land of scenic beauty and diverse cultures with a large industrial workforce.

## Form of Government

Catawba County was one of the first of North Carolina's 100 counties to adopt the County-Manager Form of government. It is governed by five commissioners (Randy Isenhower-Chair, Barbara Beatty-Vice Chair, Kitty Barnes, Sherry Butler, and Dan Hunsucker) who are elected by countywide vote in partisan elections and serve four-year staggered terms.

The County Manager (J. Thomas Lundy) is appointed to serve as Chief Executive Officer and is responsible for the enforcement of laws and ordinances, preparation and administration of the annual budget, delivery of services, implementing policies, managing daily operations, and appointment of department heads. The County is fortunate to have stability in its management structure, with the County Manager affording the County more than 40 years of continuous service.

**Estimated Population** 155,832 (2014)  
**Median Age** 40.5 (2014)  
**Per Capita Income** \$35,520 (2014)  
**Unemployment Rate** 5.4 percent (2015)  
**Principal Taxpayers** Apple, Inc.  
 Duke Energy Corporation  
 GKN Driveline Newton, LLC.  
 Target Corporation  
 CommScope, INC.  
 Draka Comteq Americas, Inc.  
 Amireit Inc/American Medical  
 (Frye Regional Medical Center)  
 Corning Cable Systems  
 Hickory Springs Mfg. Co., Inc.  
 Valley Hills Mall, LLC  
 Alcatel N. A., Inc.  
 Shuford Mills/Shurtape Technologies  
 Central Telephone Company

**Number of County Government workers** 1,080



## Catawba County Commissioners

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## County Manager

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