



*Board of Commissioners’  
Fiscal Year 2015/16 Goals*

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.

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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.

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Continue advocacy for improvements to Highway 16 and Highway 150 as major corridors, in order to increase economic development and citizen and tourism access.

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Support the three school systems and Catawba Valley Community College as they work to increase the educational attainment level in Catawba County.

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Ladies and Gentlemen:

I present to you my recommended Catawba County Fiscal Year 2015/16 budget in the amount of \$235,286,732. The budget is balanced and prepared in accordance with the Local Government Budget and Fiscal Control Act.

A County-wide property revaluation went into effect on January 1, 2015. While Catawba County's economy has shown consistent signs of positive economic recovery on the heels of the recent recession--in terms of unemployment, building permit activity, and retail sales--the 2015 Revaluation is based on sales over the last 3 years. This resulted in a 5.88 percent decrease in County-wide real property values, which translates into \$5.96 million less in property tax revenue to support critical community services.

In addition to experiencing less revenue as a result of the 2015 Revaluation, the County faces significant service expansion and capital pressures. Addressing some of these pressures is important to maintain the quality of life the community has grown accustomed to and ensure the County does not fall behind in providing basic services. The budget addresses the following service demands:

- Emergency Medical Services (EMS) – EMS emergency response times have slipped above the Board of Commissioners’ goal of an 8-minute average, based on significant increases in call volume. In order to maintain 8-minute county-wide response times, the budget funds the addition of a paramedic crew located in Mountain View in July and possible expansion of an existing Bandys EMS crew in January (based on response times);
- Jail – funding for an expansion of the Catawba County Detention Center was identified several years ago and has been on the County's CIP. The addition will provide 256 new inmate beds planned for Fiscal Year 2017/18. This need is driven by crime rates, types of crimes committed, and Burke County's recent decision to close the shared district confinement Facility. The County has been saving for this expansion since 2007, and has set aside \$2.3 million so far;
- Sheriff – to improve case management and clearance rates of criminal cases, addition of a Criminal Investigator position;
- Parks - reinstatement of 6-day per week operating schedule at Riverbend, Bakers Mountain, and St. Stephens Parks, identified to be the top priority in the 2015 Parks Master Plan; and

## BUDGET OVERVIEW

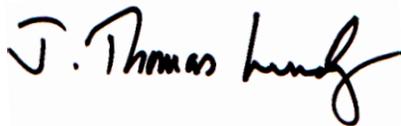
- Education – increased investment in public schools, dedicating an additional \$308,108 in current expense funding (Catawba County Schools, Hickory City Schools, and Newton-Conover City Schools) and a \$66,289 increase in support for Catawba Valley Community College (CVCC).

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 the property tax base--would be \$0.5678. The cost of funding the service pressures outlined above, when added to the revenue neutral rate, would bring the tax rate to at least \$0.5868.

The County takes its fiscal stewardship responsibility seriously. Since 2009, the County has reduced expenses a net \$5.4 million, impacting 37 positions. In an effort to maintain the lowest possible tax rate while still addressing necessary services, the proposed budget reflects an additional \$1.5 million in operating reductions across all departments, making it possible to decrease the rate to \$.575. Adoption of the property tax rate of \$0.575 for every \$100 of valuation would establish a tax rate that could be held constant for four years--until the next revaluation cycle in 2019. This rate is projected to be the 8<sup>th</sup> lowest tax rate of the 27 urban counties in North Carolina--those with a population over 100,000--and the 2<sup>nd</sup> lowest among Catawba's neighboring counties.

During the current fiscal year, in addition to making progress on their formal goals, the Board of Commissioners indicated an interest in codifying a community vision for County-funded programs and services to guide future decision-making. The County has a strong reputation for solid planning, and long-range strategic plans with detailed goals, objectives, strategies, and tactics exist for many County functions. These plans, which play a significant part in shaping the services provided by the County currently and into the future, have been organized into six broad focus areas that represent key elements of strong communities, depicted below. This work to strengthen and align County services will continue during the new fiscal year.

I encourage you to explore the budget message to learn more about these investments and how the County will achieve the Board of Commissioners' goals. The complete budget document may be accessed on the Internet at [www.catawbacountync.gov](http://www.catawbacountync.gov).



County Manager



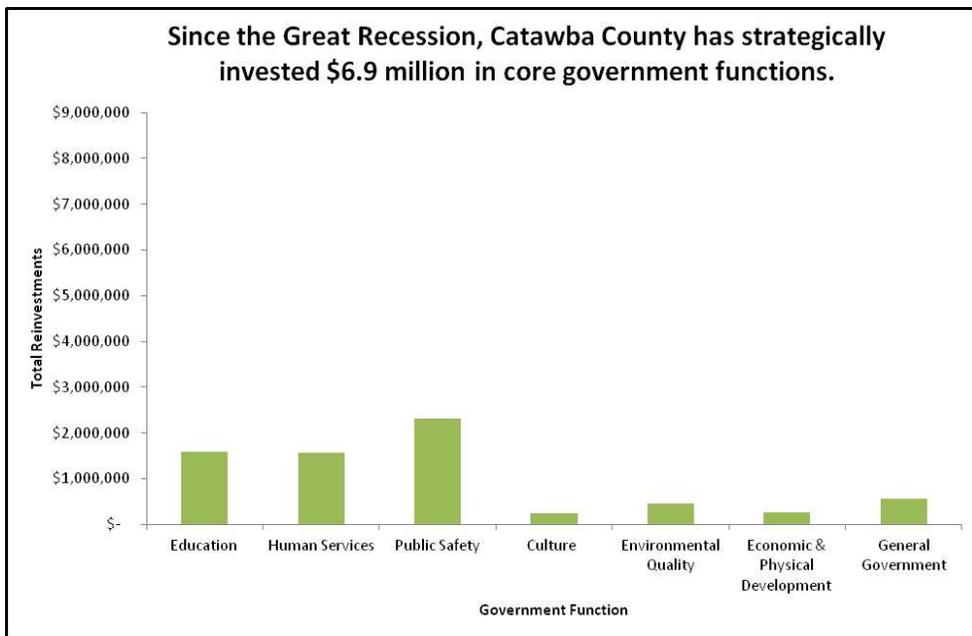
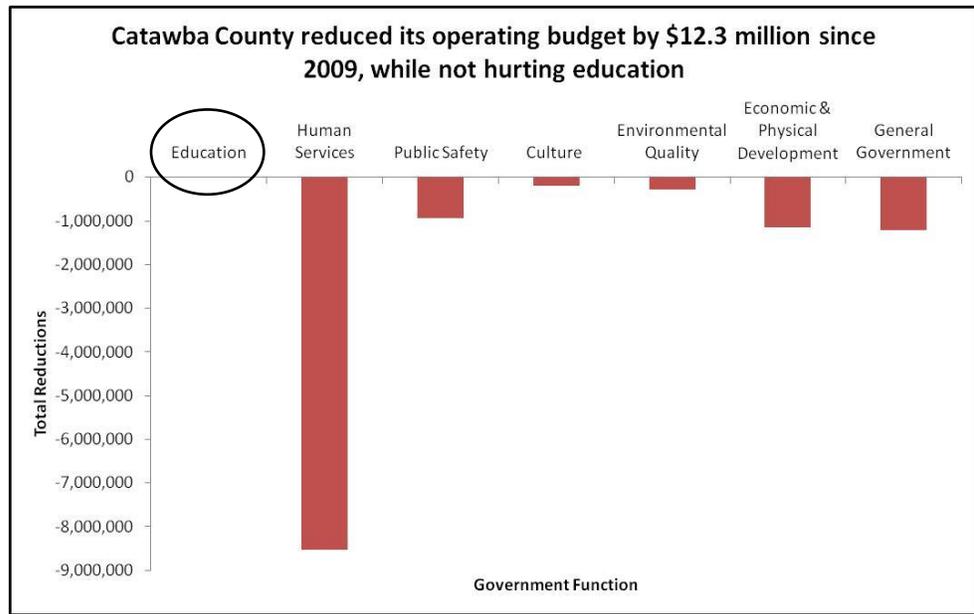
### COUNTY PROVIDES QUALITY SERVICE WHILE LIVING WITHIN MEANS

Catawba County has consistently delivered quality services across a wide range of functions supported by one of the lowest tax rates, demonstrating fiscal stewardship and strong program performance. The quality of these services has earned Catawba County a reputation for innovation and creativity both state-wide and nationally. Specific aspects that reflect the quality and value of County services include:

- EMS crews have worked hard to maintain an average County-wide response time of 8 minutes or less, in the face of steadily increasing call volume;
- Emergency 911 calls are dispatched in just over 47 seconds, much faster than the national average of between 75 and 110 seconds;
- Sheriff emergency response times have been improving, resulting from recent investments in additional road patrol deputies to keep citizens safe;
- Almost 46 percent of each local property and sales tax dollar is committed to education, with total current expense funding for the three public school systems ranking 15<sup>th</sup> state-wide and total local support for CVCC ranking 18<sup>th</sup> state-wide;
- A higher percentage of foster children are adopted in less than two years in Catawba County (55 percent) than the State-wide average (33 percent);
- A targeted and focused energy program for County facilities continues to yield roughly \$8,500 savings in electric costs per year due to lighting retrofits alone and achieves an average return on investment of 2.35 years;
- Public Health's Women, Infant, and Children (WIC) Farmers' Market Voucher Redemption rate was 64.37 percent, ranking #1 in the state last year. This unique approach of targeting WIC recipients to benefit from farmers' markets has been recognized as innovative by both the Alliance for Innovation through the J. Robert Havlick Award for Innovation in Local Government and the National Association of Counties (NACo) through a County Achievement Award;
- General Government Administration comprises only 1 percent of the local budget, well below generally accepted benchmarks for administrative overhead in any sector;
- In the last 4 years, County staff proactively refinanced debt, saving over \$3.3 million in future interest;
- Catawba County continues to be a statewide leader in recycling, ranking #1 in the state for public recycling per capita for the second year in a row in 2014, and the County's Commercial Recycling Program was recognized by NACo through a County Achievement Award;
- Catawba County has won annual recognition from NACo through the County Achievement Awards in each of the last 43 years, establishing a long tradition of program excellence that has served the community and the organization well; and
- Catawba County has won the Government Finance Officers' Association Award for Excellence in Financial Reporting for 32 years and Budgeting for 26 years.

## QUALITY SERVICES – LIVING WITHIN MEANS

The County has achieved these accomplishments and provided high levels of service despite the recent economic recession. In fact, over the past five years, Catawba County made \$12.3 million in operating budget reductions, while keeping Education whole.

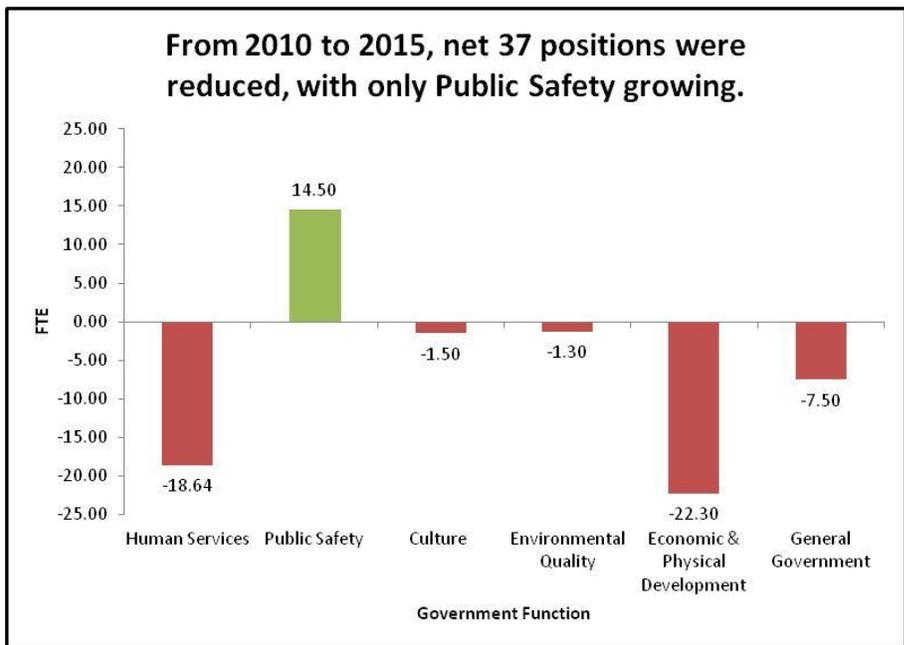


At the same time, Catawba County remained focused on delivering quality services to the public, making \$6.9 million in strategic reinvestments in core functions--most significantly Public Safety, Human Services, and Education--with the net result being \$5.4 million in operating reductions across all departments. The elimination of a net

37 positions accompanied these operating reductions, with only Public Safety experiencing a positive net change in personnel since 2009.

These reductions were made possible through several key strategies, including:

- *Streamlining operations by looking for efficiency enhancements:* Field-based staff in Building Services, Tax Revaluation, and Sheriff Road Patrol, among others, use laptops and other mobile devices to complete paperwork remotely, reducing the number of trips to the office. This improves productivity and reduces office space demands;



- *Partnering with the non-profit and private sectors to contract out programs and services:* Public Health contracts with Catawba Valley Medical Group to provide obstetrics and prenatal services for pregnant women, and Emergency Services contracts with the Humane Society of Catawba County for management and administration of the Animal Shelter;

- *Evaluating service demands and making appropriate adjustments:* During the building and development downturn, staff positions filled by building inspectors and professional planners were eliminated because of the decreased workload;
- *Reducing ratios of management and administrative support to direct service staff:* Over twenty supervisory positions have been eliminated or declassified since 2010;
- *Reducing or eliminating programs and positions related to reduced revenue streams:* Public Health has eliminated positions in Home Health to address revenue erosion, and Social Services has eliminated positions across multiple programs as a result of reductions in federal and state funding; and
- *Reducing County employee benefits and increasing the cost share with employees:* The County began paying the same premium for every full-time employee and increased co-pays, dependent premiums, and out-of-pocket maximums. Employees were given the option to choose between plans with varying coverage, cost, and risk to best meet each employee’s specific needs.

Catawba County takes its responsibility for fiscal stewardship seriously, continuously looking for ways to improve services to the community while driving accomplishment of the Board of Commissioners’ annual and long-term goals.

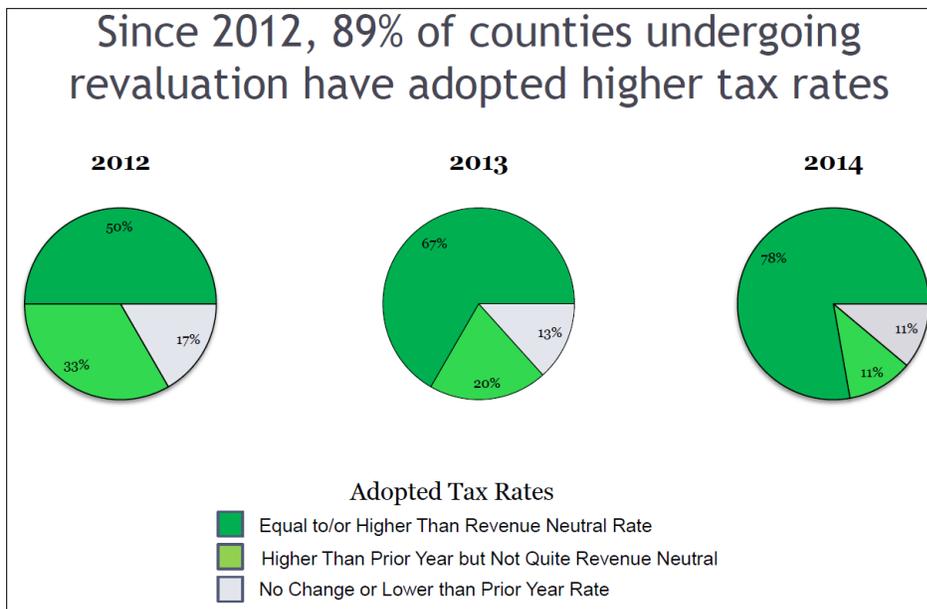


## Property Tax

Statutorily, every county in North Carolina is required to conduct property revaluation at least every eight years. In 1999, the Board of Commissioners directed staff to shift the County’s revaluation to a more frequent four-year cycle, for several reasons:

- *Reduction of “sticker shock” resulting from large adjustments in value over a greater span of time.* For example, between the 1999 and 2007 revaluations, the average change in property values County-wide was a 10 percent increase; between 2007 and 2011, the average change was a 1.53 percent increase;
- *Tighter alignment and greater equity between personal property, public utility companies, and real estate assessed values.* Because both personal property and public utility values are established annually, less frequent revaluations contribute to a situation where the gap between these assessments and real estate can be much greater; and
- *More frequent opportunity for property owners to appeal values based on changes in economic conditions.* State statutes dictate that property owners can only use changes in economic conditions as a valid reason for value appeal in a revaluation year. Moving to a four-year cycle provides property owners in the County this option on a regular basis.

As mentioned previously, the 2015 Revaluation has negatively impacted the County’s real property tax base, showing an overall decrease in values of 5.88 percent County-wide. The revaluation process is a snapshot that captures values at a given point in time (in this case, January 1, 2015) rather than reflecting trends in the real estate market as of today. For example, the recent improvement signaled by decreased unemployment and increased retail sales and housing starts is not fully reflected in these new values. Revaluation draws upon actual sales data from 2011 (the point of the last revaluation) through June 2014. Market trends in the local area have improved since June, but those more recent improvements are not incorporated into the new property values that became effective on January 1, 2015.



*Catawba County is not alone in terms of value loss*

An analysis of revaluations across the state of North Carolina since 2012 clearly shows that the vast majority of counties experiencing tax base erosion--89 percent in total--addressed their revenue loss through some combination of expense reduction and tax rate increase.

## REVENUE

The projected tax base for Fiscal Year 2015/16, which includes real and personal property and motor vehicles, is \$15.78 billion. Counties are required to publish a revenue neutral rate--the rate needed in order to generate the same amount of revenue as last year--taking into account any increase or decrease to the property tax base, in revaluation years. The revenue neutral rate would be \$.5678.

However, the revenue neutral rate is not sufficient to meet pressing public safety needs. Recently, EMS emergency response times have slipped above the Board of Commissioners' goal of an 8-minute County-wide average, based on significant increases in call volume. Just under a half cent will allow the County to maintain an average 8-minute EMS response time by establishing a Mountain View base and potentially expanding EMS service in the Bandys area to handle the increased volume. The critical need for a 256-bed jail expansion--driven by crime rates, types of crimes committed, and Burke County's recent decision to close the shared District Confinement Facility--accounts for \$.015 of the new rate. (As previously mentioned, the County has been saving for this expansion since 2007, setting aside \$2.38 million in bed rental revenue, with an additional \$650,000 planned in the coming year.)

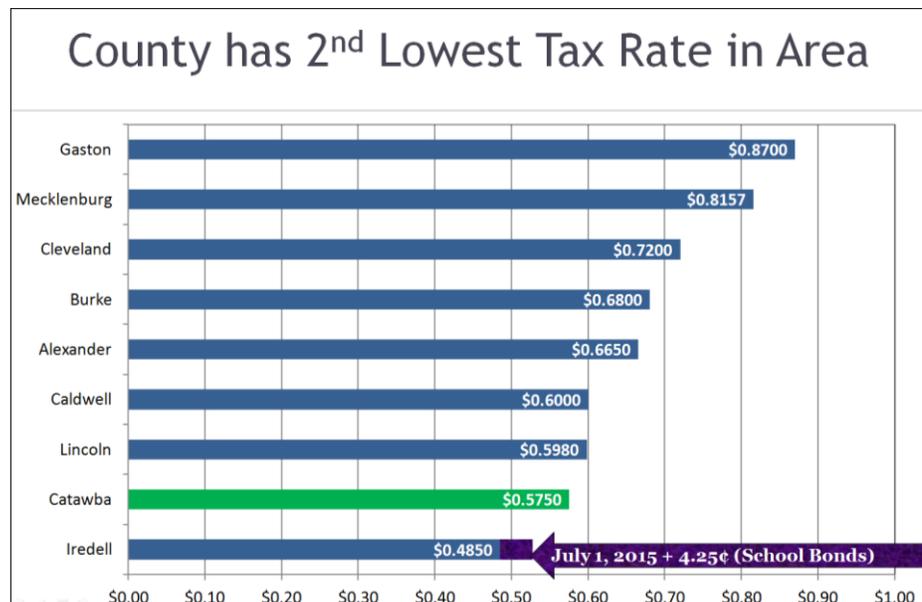
These needs, when added to the revenue neutral rate, would bring the tax rate to \$.5868. Because the County takes its fiscal stewardship responsibility seriously and works hard to maintain the lowest possible tax rate while still addressing necessary services, the proposed budget reflects \$1.5 million in operating reductions.

The budget establishes a property tax rate of \$0.5750 per \$100 of valuation, yielding over \$88.9 million in revenue. Catawba County is projected to have the 8<sup>th</sup> lowest tax rate of the 27 urban counties--those with a population over 100,000--and the 2<sup>nd</sup> lowest among Catawba's neighboring counties.

The new tax rate will impact property owners

in Catawba County in different ways, depending upon the type of property owned. The average residential property owner will see an annual monthly residential tax bill change of \$2.08, which will allow citizens to continue enjoying the same level of emergency medical services, Library hours, and crime prevention programs that would otherwise have been reduced. The average commercial property owner will see an annual tax bill decrease of \$12.93, and the average owner of industrial property will see a \$131.29 annual decrease.

Concerted effort by the Tax Office to increase collections is having a positive impact, as the ad valorem collection rate continues to trend ahead of this time last year. Primary property tax growth is in business personal property and public utilities, thanks to \$52 million in new investments by Apple and \$56.76 million in new investments by Duke Energy.



## REVENUE

The State's Tag and Tax Together program, the result of legislation passed in 2005, shifted responsibility for motor vehicle tax billing and collections from the County to the State at the time of tag renewal, and has resulted in quicker collections and an overall increase in motor vehicle collections--both dollars and percentage--here in Catawba County. The budget projects a \$1 million or 18 percent increase in motor vehicle property tax revenue.

### Sales Tax

Catawba County receives 2¼ cents of the total sales tax rate of 7 cents. The County shares proceeds from the first two cents with the municipalities on a per capita basis. The remaining ¼ cent, approved by County voters in a November 2007 referendum, is primarily dedicated to the Justice/Public Safety Center expansion currently underway, public school operations, economic development, and water and sewer infrastructure.

Sales tax has experienced healthy growth in Fiscal Year 2014/15 (6.4 percent, through March). The growth appears to be driven by a variety of factors including increased consumer spending, Amazon.com beginning to pay sales tax in North Carolina, and expansion of the types of services subject to sales tax. The North Carolina Association of County Commissioners (NCACC) is advising counties to anticipate 3 to 4 percent additional sales tax growth in Fiscal Year 2015/16. The budget conservatively plans for 2 percent growth in the coming year.

#### *Catawba County's revenue outlook is varied, impacted by both positive and negative factors*



- Increasing taxable sales and sales tax collections
- Increasing property tax collection rate
- Growth in motor vehicle values and collection rate
- Modest recent improvement in the construction market



- Decreased property tax base across all sectors – residential, commercial, industrial
- Minimal new construction
- Deconstruction of obsolete buildings & facilities equates to value loss
- Increased exemption applications

#### *State considering three bills with major implications for local sales tax*

The North Carolina General Assembly made significant changes to the State tax code over the past two years. During the 2015 session, three more bills are under consideration, two that would dramatically reduce revenue to many counties and another that would benefit all counties.

Senate Bill 369, the so-called Sales Tax Fairness Act, would have devastating effects on counties like Catawba that have higher retail sales than population. The purpose of this bill is to help rural counties by redistributing sales tax generated in urban counties to enhance rural sales tax collections. The bill would eliminate 2 cents of local sales tax and convert it to a state-levied tax distributed by population over three years, versus the current method that distributes based on where the sales tax is generated. Passage of this bill would cost Catawba County a projected \$3 million annually when fully implemented, and it would collectively cost the cities within Catawba County \$2.5 million annually. These losses would likely force the County and its cities to reduce services or raise property taxes to replace the revenue. For the County, the loss is equivalent to just under 2 cents on the property tax rate.

**SB 369 OR SB 609  
= \$1.6M TO  
\$3M LOSS**

**HB 518 =  
\$4.5M GAIN**



Senate Bill 608, the so-called Simple and Fair Formula for Sales Tax Distribution, would also repeal the 2 cent local sales tax and replace it with a state sales tax over three years. The key difference between this bill and Senate Bill 369 is that it includes a hold harmless provision which would provide each county and city revenue equal to Fiscal Year 2013/14, with any growth above that level distributed on a per capita basis. This bill, even with

the supposed hold harmless, is still expected to cost the county \$1.6 million annually (roughly 1 cent on the tax rate) and cities \$725,000 annually.

Of further concern with both of these bills is the conversion of the sales tax from local revenue to state revenue. Previous experience with state controlled dollars such as lottery proceeds, school capital funds (also known as ADM funds), and inventory / intangibles tax suggests that these revenue streams will become less reliable for counties, based on the State's tendency to reduce or eliminate distributions to counties when the State experiences budget problems of its own.

House Bill 518, co-sponsored by local Representative Mitchell Setzer, would give all 100 counties authority for a ¼ cent sales tax for any public purpose by revising an existing local sales tax authorization that is currently restricted in use for public transportation only. All proceeds – which would total over \$4.5 million in new revenue, the equivalent of over 2.75 cents on the property tax rate – would be retained by the County.

Catawba County continues to encourage the General Assembly to give counties increased authority to adopt local option sales taxes. One cent of sales tax generates \$13 million in revenue while 1 cent of property tax generates \$1.575 million in revenue. In addition to generating significantly higher revenues than property tax on a "cent for cent" basis, sales tax is broadly applicable and captures revenue from visitors to Catawba County and people who are passing through the community on their way to other places. Property tax, on the other hand, concentrates the burden for funding local services solely on property owners, while the benefits are not limited to those same citizens. Based on this rationale, a system where local governments had the option to raise additional revenues through sales tax would be viewed as an improvement from the status quo, allowing Catawba County to reduce the property tax paid by citizens and diversify local revenue sources.



## Economic Development

Catawba County is committed to working with the private sector, municipalities, and the Economic Development Corporation (EDC) to attract new businesses, development, and jobs. The budget supports existing business and industry through the delivery of high quality government services with a low and stable property tax rate. Consistent with the Board of Commissioners' goal, the budget includes funding for Catawba County's share of on-going carrying costs associated with the speculative building built in cooperation with the City of Claremont, the NC Data Campus, a new Class A business park (Park 1764) in partnership with the City of Hickory, reserves for future economic development, as well as continued investment in the Innovate Catawba initiative, the EDC, as well as business incentive agreements that diversify the economy, produce good jobs, and have a solid return on investment.

### 2015/16 Board of Commissioners' Economic Development Goals

- |                                  |                                       |  |
|----------------------------------|---------------------------------------|--|
| Support Workforce Development    | Partner on Innovate Catawba Projects  | Review Incentives Guidelines               |
| Develop Park 1764 Strategic Plan | Monitor Growth & Development Policies | Advocate for Highway 16 & 150 Improvements |

### Investment Highlights - \$267 million / 327 jobs added or announced

 **Apple** increased its investment in Catawba County by over \$100 million. To date Apple has added \$1 billion in real and personal property and alternative energy systems to the County's tax base, making it the County's largest taxpayer.

**GKN Driveline**, a manufacturer of automotive driveline components, broke ground on an expansion that will bring \$122 million in new investment and 228 jobs. 

 **Strata Solar** has invested over \$15 million in a new solar farm in Newton, bringing its total number of solar farms in Catawba County to three, with a total investment of \$45 million. Each solar farm is projected to produce enough electricity to power 750 homes using renewable green energy, for a total of 2,250 homes powered.

**Cornerstone United**, which specializes in manufacturing warranties and protections, has invested over \$2 million in renovating the historic Piedmont Wagon building in Hickory for its new headquarters, adding 35 new jobs. 

 **WILLIAMS-SONOMA** **Sutter Street Manufacturing**, a division of Williams-Sonoma, added new equipment valued at over \$1.6 million to their Claremont facility. The new equipment will allow for increased productivity and should generate additional jobs in the future.

**Timmerman Manufacturing** added a second facility in Conover to house a new powder coating operation, investing nearly \$750,000 in new equipment and announcing 5 new jobs. 

## PROMOTING ECONOMIC OPPORTUNITY



**Roll-Tech Molding Products** expanded its Hickory facility, adding 11,733 square feet and creating 4 new jobs. This expansion to the office and warehousing space will allow for more manufacturing in the current plant.

**Republic Services** expanded its Conover Recycling Facility, investing over \$10 million. The expanded, highly-advanced facility has the capacity to process more than 25 tons of mixed recyclables per hour, or 400 tons each day.



**Transportation Insight**, a Hickory logistics company, is spending up to \$8 million to restore a downtown hosiery mill for its headquarters, and has added 50 new jobs.



**Lenoir-Rhyne University (LRU)**, in partnership with Catawba County, Catawba Valley Medical Center, Frye Regional Medical Center, the City of Hickory, and the Catawba County EDC Copmmittee of 100 will develop the LRU Health Sciences Center. The Center will offer advanced training for medical and healthcare professionals, including a new 24-month Physician Assistant Program beginning in January 2016.



### *Innovate Catawba*

In early 2013, in order to speed economic recovery from the recent recession and to enhance the community's capacity across all sectors, a group of community leaders came together to develop a vision for the future of Catawba County and a plan of action for making it happen. In this way, Innovate Catawba came into existence, and the community vision of transforming the County into "a growing place with more jobs" was cast. Catawba County was a founding member of this initiative, and has been at the table providing leadership ever since, supporting efforts across the initiative's six work groups to create quality jobs, improve workforce readiness by aligning educational resources, intentionally develop more and better leaders, and enhance the community's sense of place by improving aesthetics and amenities. The Fiscal Year 2015/16 budget includes funding for ongoing support for this initiative. The County's partnership with the City of Claremont to build the recently completed speculative building to be marketed to potential businesses--including ongoing operating support from the County--is linked to the Building for Jobs effort. The County provides annual operating and capital support to Catawba Valley Community College, which is taking a strong leadership role in the Workforce Connectivity and Development workgroup. The County is deliberate in helping to cultivate the next generation of community leaders, through ongoing investment in professional internships and fellowships, which aligns with the work of the Leading and Communicating work group.



### *Park 1764*

Park 1764 is a 170-acre Class A Business Park being developed jointly by Catawba County and the City of Hickory, with shared costs and governance decisions. Development of the Park is likely to occur incrementally over time. The budget allocates \$700,000 (½ the cost) to provide water and sewer service to the property site. The Park will be designed to create job opportunities in advanced light manufacturing facilities, technical operations, and corporate headquarters. The rural character and legacy of this site will be maintained and marketed as a unique corporate environment. The vision is to have amenities such as community walking/cycling trails, community gardens, silos, and permanent



easement areas to accentuate the rural character of the site, and to appeal to business prospects in a corporate, up-scale environment where light manufacturing, engineering, and innovation co-exist and augment the greater community.

### *The NC Data Campus*

The NC Data Campus is a 70-acre multi-jurisdictional business park partnership between Catawba County, the Cities of Conover and Hickory, and the Towns of Maiden and Catawba. Funded by a portion of the ¼ cent sales tax revenue, the park will bolster Catawba County's economic development efforts by providing up to three shovel-ready sites marketed primarily for data center recruitment. These efforts will also further buttress the region's efforts to create a cluster of data centers known as the NC Data Center Corridor, leveraging the presence of existing data centers like Apple, Facebook, and Google to transform the region's reputation into one that embraces innovation and high tech industry.

### *Other Support*

Catawba County contributes funding for the Chamber of Commerce's Edison Project, designed to identify, fund, educate, and reward new startup small businesses in the County. Entrepreneurs with viable business ideas and associated plans submit them for consideration and review by judges, competing with other entrepreneurs for economic incentives and startup assistance.



Catawba County is a sponsor of the Chamber of Commerce's "Leadership Catawba" program, which aligns with the efforts of the Innovate Catawba "Leading and Communicating" workgroup. The program brings together upcoming local leaders from a variety of organizations for a 6-month leadership training program, which provides participants with information about the social, economic, and political dynamics of the community, encouraging them to get involved in a meaningful way.

Catawba County continues to support the Convention and Visitors Bureau (CVB) and the Chamber of Commerce Visitor Information Center. Both organizations bring money to the local economy through the promotion of conventions, conferences, local heritage events, and tourism.

### *Direct Spending*

The County's direct spending on services to citizens also benefits the local economy. For Fiscal Year 2014/15, the County spent over \$17 million on contracts and direct spending with the private and non-profit sectors. Contracting work to other organizations helps stimulate private sector business and translates into jobs and sales tax.

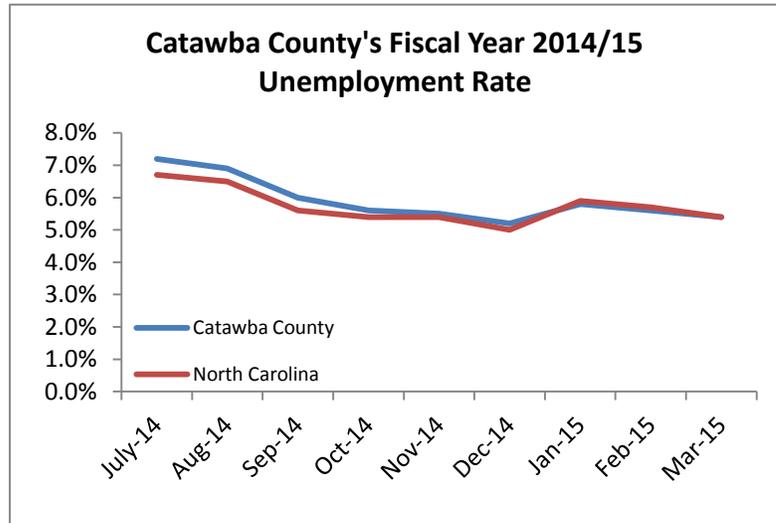
Contracts and services are reviewed annually to determine what makes sense to provide in-house, what make sense to contract with the private or non-profit sectors, and what makes sense for the private or non-profit sector to assume. For example, Prenatal Services were contracted out to Catawba Valley Medical Center (CVMC) in Fiscal Year 2012/13, operation of solid waste convenience centers was contracted to Republic Waste, operation of the animal shelter was contracted to the Humane Society of Catawba County in Fiscal Year 2013/14, and the biodiesel facility was privatized in Fiscal Year 2014/15.

Additionally, County construction of the \$42 million Justice/Public Safety Center is underway. The spending associated with this construction project (funded by the voter approved ¼ cent sales tax) will support the creation and preservation of both direct and indirect jobs in the community, translating into another way the County is supporting the local economy. The new center is projected to be complete in January 2017.

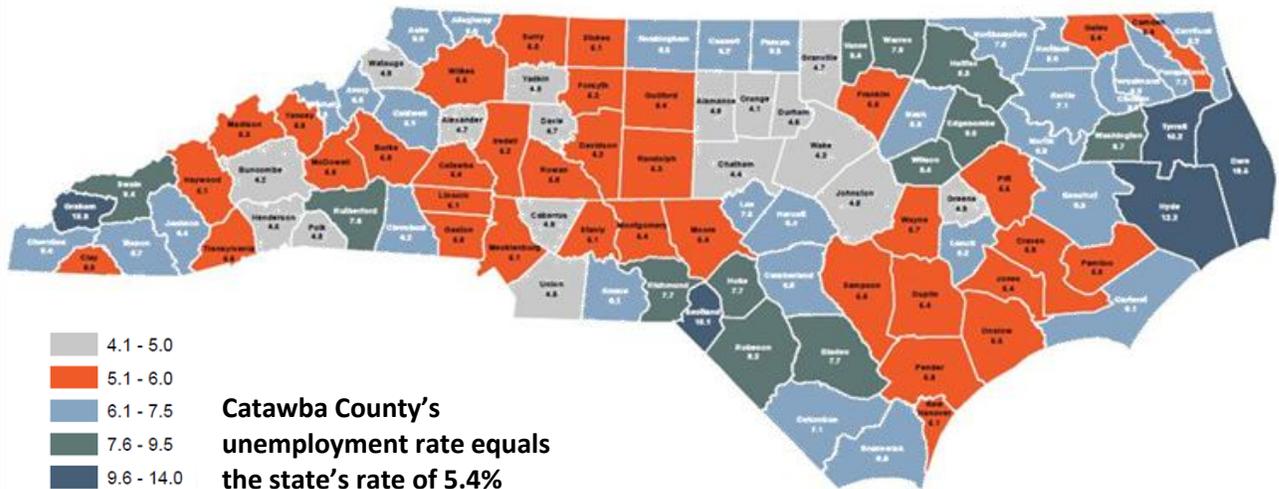
## PROMOTING ECONOMIC OPPORTUNITY

*March 2015 Unemployment is the lowest since 2007*

Catawba County's unemployment rate continues to drop, finally returning to its prerecession level of 5.4 percent in March 2015, equaling the statewide rate. Until very recently, the last time Catawba County's unemployment rate was consistently equal to or less than the State's rate was 2000/01. In fact, Catawba County's rate is now among the lowest in the State (as shown by the map below).



### Unemployment rate in Catawba County decreased in March 2015



Source: Prepared by Labor & Economic Analysis Division, North Carolina Department of Commerce

*Catawba County is 13<sup>th</sup> in Statewide Taxable Sales*

Catawba County continues to be a regional hub for retail sales. While ranking 17<sup>th</sup> in population, the County ranks 13<sup>th</sup> in statewide taxable sales (comparing the reported year-to-date taxable sales in Fiscal Year 2014/15 to the same time period the prior year). Catawba County's taxable sales exceeded the prior year by a healthy growth rate of 10.25 percent.

Rank	County	July - Feb 2014	July - Feb 2015	% Change
1	Mecklenburg	\$ 10,617,442,702	\$ 12,118,154,964	14.13%
2	Wake	\$ 7,828,330,889	\$ 8,889,122,531	13.55%
3	Guilford	\$ 3,783,403,175	\$ 4,321,286,580	14.22%
4	Durham	\$ 3,523,300,598	\$ 4,074,196,428	15.64%
5	Forsyth	\$ 2,734,121,190	\$ 3,053,809,457	11.69%
6	Buncombe	\$ 2,483,348,259	\$ 2,909,953,351	17.18%
7	New Hanover	\$ 2,173,435,449	\$ 2,520,426,571	15.97%
8	Cumberland	\$ 2,286,400,085	\$ 2,437,239,797	6.60%
9	Cabarrus	\$ 1,675,180,171	\$ 1,869,871,804	11.62%
10	Pitt	\$ 1,223,212,258	\$ 1,356,998,606	10.94%
11	Alamance	\$ 1,186,869,647	\$ 1,342,599,924	13.12%
12	Iredell	\$ 1,156,607,281	\$ 1,312,181,495	13.45%
13	Catawba	\$ 1,180,001,017	\$ 1,300,956,718	10.25%
14	Onslow	\$ 1,205,368,162	\$ 1,263,369,131	4.81%
15	Gaston	\$ 1,069,087,284	\$ 1,189,008,499	11.22%

Nc Dept of Revenue Monthly Sales & Use Statistics

## EXPENSE HIGHLIGHTS

The Fiscal Year 2015/16 budget increases 9.6 percent to \$235,286,732, due to service expansions, school construction projects, funds set aside for future jail construction, and economic incentives. County operations--the year-to-year cost to run the County--increase 2.1 percent driven by investments in education, public safety, economic development, parks, and infrastructure. The dollar below represents how each local property and sales tax dollar is spent.



- **Education** continues to represent the largest portion of the local budget, with 45.8 cents of every property and sales tax dollar allocated for instructional costs and capital needs of the three public school systems and CVCC.
- **Public Safety** is the second largest recipient of local funds with 25.1 cents of every local dollar, allocated to Sheriff's Office, Emergency Services, E-911 Communication Center, Fire Protection Service Districts, Rescue Squads, Public Safety projects and activities (Lake Norman Marine Commission, Pretrial Services, Justice System Improvement, and Conflict Resolution Center).
- **Economic and Physical Development** (in support of BOC goal) funding represents proactive economic recovery efforts and composes 12.6 cents of every local dollar. Outside agency funding goes to the EDC, Chamber of Commerce, Convention and Visitors Bureau, economic incentives, and funding for County services in Utilities and Engineering (including Water & Sewer local infrastructure funding), Planning and Parks, Technology, and Facilities.
- **Human Services** receives 10.1 cents local funding for Social Services, Public Health, and community mental health service support.
- **Libraries and Culture**, composed of County Library system, Patrick Beaver Memorial Library, Historical Museum, United Arts Council, SALT Block, and Newton-Conover Auditorium, receives 2.1 cents.
- **General Government - Public Services** includes Register of Deeds, Board of Elections, and Tax Administration and composes 1.6 cents.
- **General Government - Administration** includes Board of Commissioners, County Manager, Human Resources, and Finance, and composes 1.1 cent.
- **Self Insurance** represents 1.3 cents including costs for unemployment, workers compensation, property and liability coverage, wellness, and health and dental insurance.
- **Environmental Quality** composes 0.4 cents for Cooperative Extension Services, Forestry, and Soil & Water, all funded in partnership with the State of North Carolina.



## Public Schools

### Current Expense

Funding the cost of public school operations is clearly the responsibility of the State, while capital and construction is the responsibility of counties. Historically, the General Assembly has not adequately funded public school operations. Recognizing that public schools are a crucial partner in achieving the Board’s goal to develop the County’s workforce, the budget allocates over \$36 million for operating expenses—including local teaching positions, teacher salary supplements to attract and retain quality teachers (some of which is performance based), utilities expenses, and technology needs. Local funds also provide support for programs that promote collaboration among the separate school systems.

The State has certified enrollment numbers within the County’s public school systems

Schools State Certified Enrollment	Catawba	Hickory	Newton	Total ADM
FY 15/16 Certified ADM	16,800	4,479	3,222	24,501
FY 14/15 Certified ADM	16,969	4,286	3,170	24,425
Increase/Decrease	(169)	193	52	76

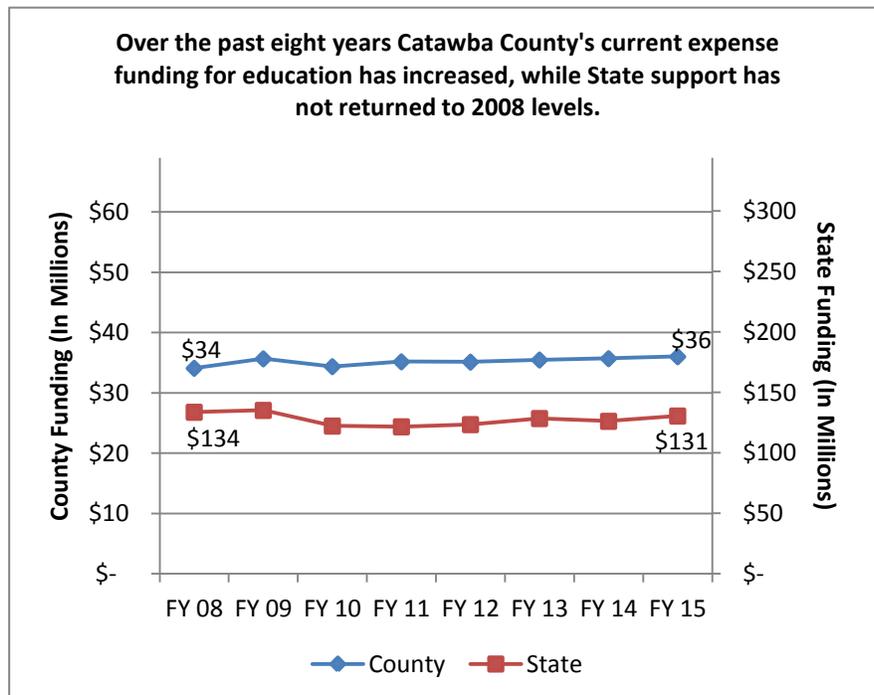
of 24,501 students for next year, a net increase of 76 students across all three systems. State certified student enrollment numbers decreased by 169 for Catawba County Schools, and increased by 193 for Hickory Public Schools and 52 for Newton-Conover City Schools. For Fiscal Year 2015/16, Catawba County has increased its per pupil funding amount by an additional \$8, from \$1,475 to \$1,483, resulting in a total operating increase of \$308,108. Barring any major changes by other counties, the new funding should maintain the County’s ranking of 15<sup>th</sup> highest in the State in total current expense funding in the State.

*CVMC is doubling its investment in the school nurse program from \$500,000 to \$1,000,000*

In addition, this year the three public school systems are benefiting from a partnership with Catawba Valley Medical Center (CVMC), a valuable community asset and supportive partner. CVMC is doubling its investment in the school nurse program from \$500,000 to \$1,000,000, freeing \$250,000 (the equivalent of \$10 per pupil) of

state money for schools to use in addressing other pressures, as well as freeing \$250,000 in County funds allocated to Public Health to help replace other revenue losses.

Despite the economic difficulties experienced during the recession, the coming year’s funding increase means Catawba County’s annual current expense contribution has grown \$2.1 million—or 6.2 percent—compared to its pre-recession funding level in Fiscal Year 2007/08. Comparatively, State funding through Fiscal Year 2014/15 decreased \$3.1 million—or 2.3 percent below its 2008 level.





*Public Schools Construction and Debt*

Local dollars finance building and equipment needs of the three school systems. Debt payments of over \$12.7 million (including \$1.7 million in lottery funds) are budgeted for projects such as: Catawba County Schools' Snow Creek Elementary School, Hickory Public Schools' Hickory High School renovations and Longview Elementary School, and Newton-Conover City Schools' County Home Middle School and South Newton Elementary School. As debt is retired, the dollars committed to school debt are reserved each year (\$3 million in Fiscal Year 2015/16) for future school building projects to ensure long-term financial stability. These reserve funds will help finance \$54.19 million in new public school construction projects over the next four years. Projects include:

**Catawba County Schools**

- Fred T. Foard High School field house construction and planning funds for a new Banoak Elementary School (2015/16)
- New Banoak Elementary School and Claremont Elementary School kitchen/cafeteria renovations (2016/17)
- Clyde Campbell Elementary School kitchen/cafeteria renovations and Fred T. Foard gymnasium/classrooms (2017/18)

**Hickory Public Schools**

- System-wide Technology Improvements & Oakwood Elementary Renovations (2016/17)
- Renovations to Hickory High and Jenkins Elementary Schools (2017/18)

**Newton-Conover City Schools**

- New football bleachers and cafeteria renovations at Newton-Conover High School (2015/16)
- Renovations to Conover School (2016/17)
- New roof for North Newton Elementary School (2017/18)

Additionally, the budget includes \$2,987,000 in new capital projects for the public schools as follows:

*Catawba County Schools*

- HVAC Upgrades \$891,000:** Funds are included to upgrade HVAC systems at Bandys High School and Campbell and Startown Elementary Schools.
- System-Wide Re-roofing \$409,000:** Funds are included for roofing at Balls Creek and Claremont Elementary Schools.
- Challenger Early College \$75,000:** Funds are included for furniture to expand the Challenger High School program space.
- Plumbing Replacement \$334,000:** Main distribution lines were replaced at River Bend Middle School last summer and will be replaced at Bunker Hill High School this summer. These funds will cover the cost of piping from the main lines to individual plumbing fixtures at both schools.
- Gym Bleachers \$141,000:** Funds are included to replace gym bleachers at Bandys High School and Campbell, Claremont, and Oxford Elementary Schools.
- Bunker Hill High School Window Replacement (Phase II) \$175,000:** Funds are included to continue replacement of windows that are original to the building (roughly 60 years old) and in bad shape. Replacement is being phased in over three years.
- Activity Bus \$87,000:** Funds are included to replace one high mileage activity bus with a new bus with wheelchair accessible lifts.



*Hickory Public Schools*

**Southwest Elementary School HVAC Replacement \$270,000:** This is the second installment of funds for this project. Funds will be combined with \$270,000 approved in Fiscal Year 2014/15 to replace HVAC units original to the school (roughly 45 years old) and at end of life.

**System-Wide Paving/Sealing Phase 1 of 3 \$190,000:** Funds are included for the first phase of paving to address paving needs at Hickory High (partial), Viewmont Elementary, and Oakwood Elementary Schools.

**Hickory High School Tennis Courts: \$30,000:** Funds are included to resurface the tennis courts at Hickory High School due to large cracks in the surface.

**Hickory High School Main Elevator \$35,000:** The elevator at Hickory High school is 42 years old and in need of maintenance/repair.

*Newton Conover City Schools*

**HVAC Upgrades and Replacements \$225,000:** Funds are included to upgrade and replace HVAC units in various buildings.

**School Security Upgrade \$100,000:** Funds are included for safety signs, security systems, and cameras

The capital outlay budget also includes \$52 per pupil for each system, a total allocation of \$1,152,101, for small capital and repair needs with a per-item cost of less than \$12,500. The individual school systems decide how these funds will be spent throughout the year. Hickory Public Schools will continue to dedicate \$50,000 of per pupil funding to repay debt for work completed in Fiscal Year 2008/09 at the Hickory High School/American Legion Building for the athletics portion of the building.

In addition, the County funds half of the cost of a construction project manager for Catawba County Schools and a shared construction project manager for Newton-Conover City Schools and CVCC to keep capital projects on schedule and within budget, ensure compliance with building code requirements, process change orders, work with the schools to ensure that the projects are built to specifications, and develop annual capital and 8-year construction plan requests. This position also helps with County projects on an as-needed basis.

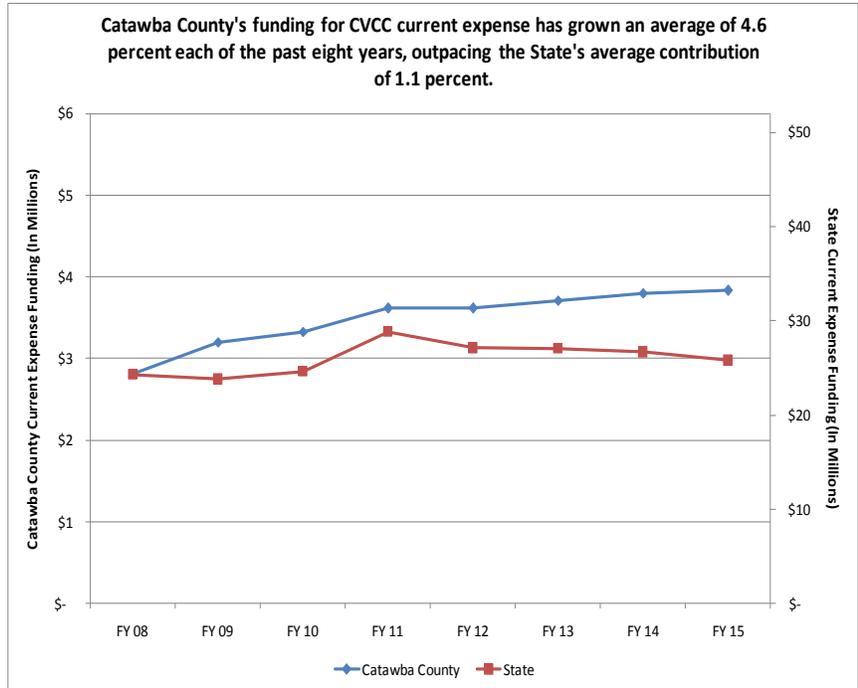
**CVCC**

Funding for CVCC increases an additional 1.3 percent to \$3,904,289, in recognition of the role the college plays in the County's ability to meet the higher education and job training needs of the community. This funding could move the County's ranking from 18<sup>th</sup> to 15<sup>th</sup> place in community college funding out of 58 North Carolina community colleges, barring any major changes in funding for other community colleges.

In 2010, CVCC's enrollment reached an annual peak of 5,350, as displaced workers sought retraining, and youth transitioning from high school to higher education found the community college an appealing option. In another sign of positive economic recovery, enrollment has begun to normalize, returning



closer to pre-recession numbers at roughly 5,000 students. Like public education, the State is responsible for funding community college operations, while counties are responsible for maintenance, capital, buildings, and general facility operations. The state has not fully funded enrollment and has required annual reversions over the past eight years totaling \$12.7 million. During this same time period the County has increased or maintained funding for this important service.



*CVCC Construction and Debt*

Like the public schools, the County has planned for the next four years of construction for CVCC. The budget includes an additional \$8.4 million for the Workforce Development Center project, bringing the total project to \$25.1 million. After a sinkhole--which was very costly to repair--appeared on CVCC's campus last year, an engineering study examined all underground pipes. Consequently, the budget includes \$890,000 for piping replacements in conjunction with planned paving projects. Campus renovations totaling \$3.5 million are planned in Fiscal Year 2017/18. Additionally, debt payments of over \$1 million are budgeted for projects including renovations to the Student Services Center; Advising, Testing, and Business & Industry Centers; Simulated Hospital; and CVCC's East Campus/Art Center.

The budget includes \$600,000 for the following annual capital projects:

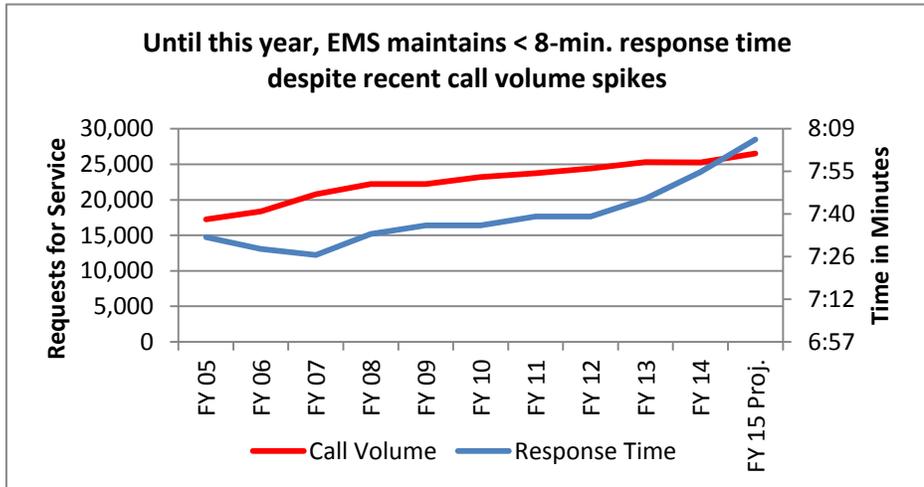
- Chiller Unit \$255,000:** Funds are included to replace the chiller that services the Administrative Building. The unit is about 15 years old, and was originally purchased as a refurbished unit from Fayetteville State University.
- Gas Packs Phase I \$225,000:** The budget funds the first of two phases to replace multiple heating units at East Campus. The majority of the units are 15 years old.
- ADA Improvements \$50,000:** These funds continue the process started in Fiscal Year 2013/14 to make various upgrades to sidewalks, restrooms, parking lots, and other areas to improve accessibility.
- Maintenance Truck \$20,000:** Funds are included to replace a maintenance truck that is experiencing serious mechanical problems and increasing repair costs.
- General Renovations \$50,000:** Repairs needed for ongoing maintenance.

## Emergency Medical Services

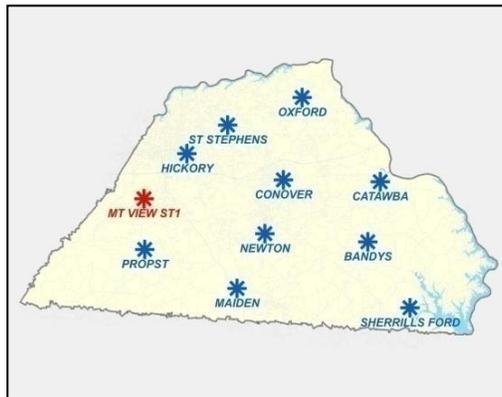
For the last several years, Emergency Services has been able to achieve the Board’s goal of providing average County-wide EMS response times of 8 minutes or less in spite of significant increases in call volume. (Over the previous five years, the call volume has increased by 13.08 percent, or an average increase of 2.62 percent per year.) This was accomplished through significant investment in EMS crew expansions and additions. In the current year the County expanded the Conover crew by two positions, allowing the Conover base to operate expanded hours. In Fiscal Year 2012/13 the County established a Bandys crew that currently operates 40 hours a week.

However, the department’s ability to maintain this level of service without further investment in staffing has reached its limit. The County’s average emergency response time continues to increase, reaching 7:50 at the end of last fiscal year. As of March 31, 2015 the average response time for the current fiscal year was 8:06. This 16-second increase is largely related to the increase in total call volume, which is projected to increase by 4.88 percent by the end of this fiscal year.

One pressure point related to call volume is the Mountain View area. Currently, Hickory and Propst bases respond to calls originating in this area, and their response times are being negatively affected as a result. Further, Hickory and Propst are high-demand areas, with 50 percent of the County’s calls originating within these areas since 2009. During Fiscal Year



2013/14 the average response time for Propst was 8:48, which increased to 9:39 when any unit other than the primary unit (Propst base) responded to this response area. Similarly, Hickory’s average response time was 6:29, but increased to 8:50 when any other unit than the primary units (Hickory base) responded to this response area. The budget establishes a new EMS crew in the Mountain View area that will operate 12 hours a day, 7 days per week. The new EMS crew will be located at Mountain View Fire Station #1, mid-way between the existing Hickory and Propst EMS bases. Adding a Mountain View EMS crew will go a long way toward achieving the Board of Commissioners’ goal of maintaining an 8-minute or less average County-wide response time to emergency calls.



A second pressure point related to call volume and response time is the Bandys area. The existing Bandys crew operates 40 hours per week, with a response time of 7:20. When the Bandys crew is not in service; however, the response time to this area is 10:15. Response times of neighboring Catawba and Sherrills Ford bases are being negatively affected, as well. During Fiscal Year 2013/14, the overall response times were 8:45 in Catawba and 9:12 in Sherrills Ford. However, when the Bandys unit was operational the response times decreased to



7:50 and 8:39 respectively. In keeping with the Board of Commissioners’ goal of maintaining an 8-minute or less average County-wide response time to emergency calls, the budget sets aside funding to potentially add two positions to the existing Bandys crew in January, subject to response times, which would allow the unit to operate 12 hours a day, 7 days a week (84 total hours per week).

**Fire and Rescue**

To supplement EMS services, the County contracts with 6 rescue squads and some fire departments for medical first response services, which respond to citizens before EMS arrives on the scene. The County has established a 6-minute response time goal for medical first response. On average, the county-wide response time is currently 5:40, surpassing the 6-minute goal. Catawba County is fortunate to have a large number of highly-trained and dedicated volunteers providing fire and medical first response services. These volunteers

willingly devote their time and efforts and risk their personal safety for the benefit of the community. In recent years, however, increasing time commitments from employers, training requirements, and family have put a strain on these volunteers, making it more difficult to achieve the same level of commitment to the departments as in the past. This has resulted in more departments supplementing their volunteers with paid staff.

As previously discussed, the County underwent property revaluation, resulting in lower property values. If the tax rates were to remain the same, then most of the fire districts would receive less revenue than last year, which potentially means less responsive service. Based on this, 10 of the 14 fire districts will adjust their tax rates for Fiscal Year 2015/16 to make up for revenue losses resulting directly from revaluation. Five of these districts have also increased tax rates to fund equipment replacement and capital needs.

<b>Fire Protection Service District Tax Rate Changes – Summary Table</b>			
<b>District</b>	<b>2014/15</b>	<b>2015/16</b>	<b>Rate Change Justification</b>
Bandys	0.070	0.082	The department will hire 3 FTEs for Station 1 to provide 24/7 coverage (converting part-time positions to one additional FTE)
Catawba	0.070	0.085	Offset loss of revenue due to revaluation and purchase or replace vehicles
Claremont	0.070	0.080	Debt service on the Pumper/Tanker purchased to replace two trucks
Conover (Rural)	0.070	0.090	Replace vehicles including one engine and one ladder truck
Cooksville	0.0617	0.062	Rate rounded to nearest hundredth
Hickory (Rural)	0.070	0.090	Replace of two tankers
Long View	0.065	0.073	Partially offset loss of revenue due to revaluation
Maiden	0.070	0.075	Partially offset loss of revenue due to revaluation
Mountain View	0.060	0.060	No rate change
Newton	0.085	0.090	Partially offset loss of revenue due to revaluation
Oxford	0.0558	0.065	Offset loss of revenue due to revaluation and replace brush truck
Propst	0.0615	0.062	Rate rounded to nearest hundredth
Sherrills Ford	0.080	0.081	Partially offset loss of revenue due to revaluation and rounded to nearest hundredth
St. Stephens	0.090	0.090	No rate change



## Animal Services

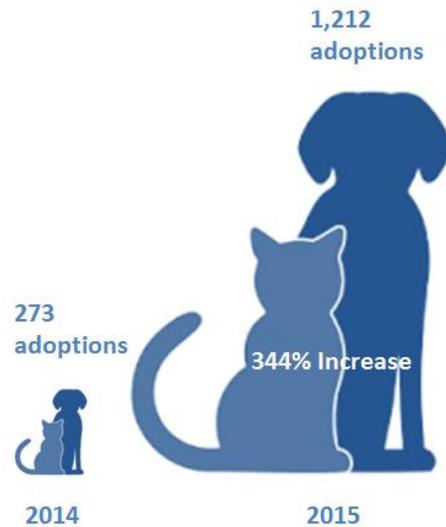


With the opening of the new Leadership in Environmental Education and Design (LEED)-Certified Animal Shelter, in Fiscal Year 2014/15 Animal Services entered into a partnership with the Humane Society of Catawba County whereby the County contracted with the Humane Society for administration and management of the Animal Shelter. In the past, the County conducted all animal shelter functions (from animal intake to adoption). Under the new partnership, the County performs all intake duties (spaying/neutering and rabies monitoring) then transitions the animals to the

Humane Society, which focuses on adoptions. The partnership has resulted in more animals being adopted in Catawba County. In Fiscal Year 2013/14 the County placed 1,518 animals through adoptions or rescues, of which 18 percent were adoptions. As of April 2015, the Humane Society has placed 1,534 animals through adoption or rescues, of which 79 percent were adoptions. Clearly, this partnership is resulting in better outcomes for the citizens and the animals of Catawba County.

During the Animal Shelter’s first year of operation, it became clear that the shelter was not adequately staffed to perform its State-required duties of cleaning the animal areas 7 days a week, 365 days a year while maintaining sufficient front desk coverage without unduly burdening current staff. Consequently, the budget funds the addition of a County Kennel Technician position to address this need.

### Adoptions in Catawba County



## Justice Center Expansion

The budget continues to dedicate a portion of the ¼ cent sales tax proceeds towards the needed expansion of the Justice Center. This project, which will add more space for courts and court-related functions, is the first expansion in over 35 years. Technology improvements to the courtrooms are also planned. A new E-911 Communication Center will be housed in this facility, along with an Emergency Operations Center, EMS Administration, and other Emergency Services personnel. Existing space for these critical public safety functions is too small and technologically outdated, and cannot be upgraded to meet the needs. The project funds also provide for a new roof for the existing Justice Center and Jail and a parking deck. The parking deck was completed and opened to the public in January 2015. The total project is expected to cost \$42 million and be operational by early 2017.



Architect rendering of the Justice Center Expansion



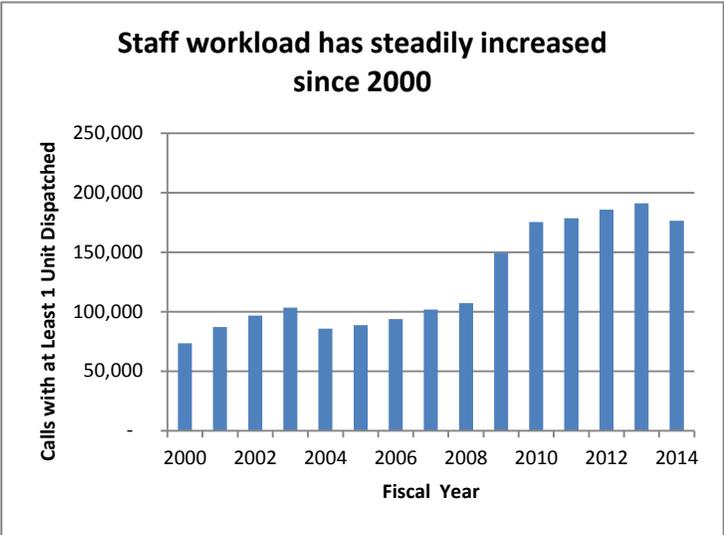
## Emergency 911 Communications Center

Technology has become more and more integral to emergency response, and the County continues to invest in the E-911 Communications Center’s service capabilities. For example, the Center’s telephone system was recently upgraded to make it compatible with next generation communication devices. The Center’s Voice Interoperability Plan Emergency Responder (VIPER) radio system transitioned from an analog (800 MHz) to a digital (P25) framework at no additional cost to the County due to prior investments in the radio system. Transitioning to a P25 system will make it easier for the County to communicate with other units of government. In fact, the County purchased new radio consoles (for use in the E911 Communications Center currently under construction and slated to open in late 2016) that will enable a physical connection between the County and the State’s P25 radio system, enhancing emergency responder communications.

Improving the County’s ability to communicate with other local governments’ emergency responders is a critical piece in developing a back-up 911 Disaster Recovery Site. The County is in the process of creating a partnership with the City of Hickory, which would designate the City (specifically, the Hickory Police Department) as a 911 backup location. This partnership will ensure that emergency communications are sustained if the County’s capabilities are impaired. Also, this redundancy maintains the County’s eligibility for State E-911 funds.

### Staffing

On average each of Catawba County’s telecommunicators answered nearly 8,000 calls in Fiscal Year 2013/14. This was nearly equal to Cumberland County, a county with a population two-times as large as Catawba County’s. However, answering the telephone is only 20 percent of a telecommunicator’s total responsibility. Other tasks include receiving reports and dispatching units, monitoring public safety personnel status, helping ensure field safety, verifying and disseminating information from law enforcement networks, and maintaining records and reports of calls. In addition, the telecommunicator’s job has become more complex with changes in technology. For example, more citizens are using cell phones, making the caller’s location more difficult to identify because a cell phone’s associated home address does not necessarily indicate the caller’s location.



### New 911 Communication Center

The new Justice Center will have 9,700 square feet of space dedicated toward a new E-911 Communications Center, with capacity to house up to 18 consoles. This will be a 547 percent increase over the current facility, which is at maximum capacity. The new facility will alleviate existing space concerns, accommodate any necessary future telecommunicator staffing increases driven by call volume demand, and update current equipment for optimal service provision. Total equipment costs to outfit the new facility are estimated at \$3.5 million. In advance of the Justice and Public Safety Center completion, the County has purchased or is planning to purchase several pieces of technology, many of which are funded via 911 Funds distributed by the State. The previously mentioned new radio consoles will enhance the Center’s communication capabilities. Purchasing them early saved the County nearly \$220,000. Other items identified for purchase for the new facility include radio antennas, modems, and back-up power supply.



## Sheriff's Office

### *Criminal Investigators*

The budget includes funding for one new Criminal Investigator to improve case management and clearance rates of all cases investigated in Catawba County. Clearance rates between 2010 and 2013 (the most recent data available) averaged 69 percent for violent crimes and 15 percent for property crimes, compared to the State's average of 59 percent for violent crimes and 26 percent for property crimes. To more effectively target resources, consistent with practices throughout the State, the Criminal Investigations unit has recently changed the way cases are assigned. Priority is placed on the assignment of cases where credible leads exist versus assigning cases based on dollar threshold. Road patrol deputies continue to conduct follow-up activity on cases without credible leads for 30 days in an attempt to generate them. This change, coupled with the addition of the Criminal Investigator position, will likely lead to improved outcomes for the citizens of the County related to criminal case clearance rates.

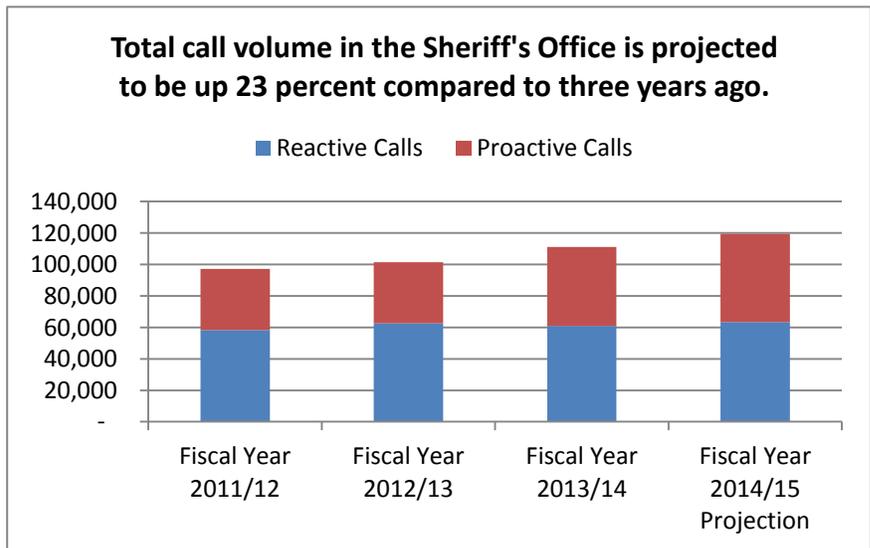
### *Court Bailiffs*

The court schedule has steadily increased, with a higher number of specialized courts in session on a daily basis. Courts are in session for more hours in a day, and more courts are planned that must have a Bailiff present. Hickory Court added an all-day Monday-Friday Family Court in February 2015. The budget includes an additional \$37,000 in part-time wages to address this need.

### *Road Patrol Response Time*

In Fiscal Year 2011/12, the County began adding sworn road patrol staffing to the Sheriff's Office to address officer safety concerns and increased call volume, improve response capabilities, and allow the department to increase the amount of time spent on proactive policing. The goal of staffing two officers per County zone 24/7 was reached in Fiscal Year 2014/15. This staffing increase has resulted in:

- Improved officer safety by ensuring back-up officers are closer and can arrive on-scene faster;
- Reduced response time by 9 percent (55 seconds) since Fiscal Year 2011/12; and
- Increased officer availability to focus on community outreach and proactive policing activities like church checks, senior checks, and premise checks, as measured by a 7 percent increase in the number of proactive calls and an 8 percent increase in the amount of time spent performing proactive policing activities.



### *New Capital Requests*

The budget includes capital expenses related to the Sheriff's Office, detailed below:

- Motor Vehicles – To ensure the Sheriff's Office maintains a reliable fleet, the budget includes funds to replace 16 front-line vehicles and acquire one new vehicle for the Criminal Investigator position that has been added.

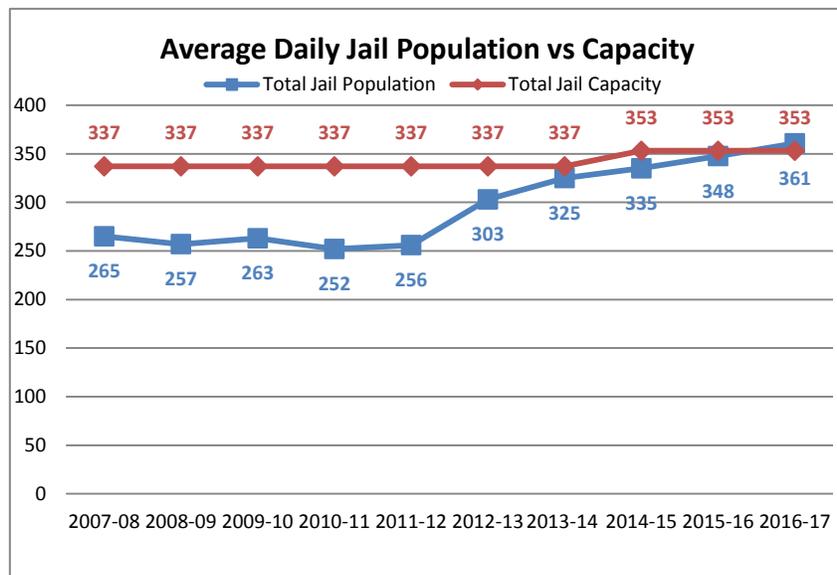
## ENSURING SAFE PLACES

- Upgrade Avid Media Composer Hardware (\$8,413) – Funds are included to upgrade hardware related to the current investigative software used to capture video evidence from phones, tablets, and surveillance systems.
- Jail Interior Fencing (\$37,410) – The budget includes funds to fence the second floor landing in the housing units, preventing accidents and improving inmate safety.
- Old Sherrills Ford Library (\$28,500) – To meet service demands in the Sherrills Ford area, this funding will be added to existing funds of \$65,000 to convert the former Sherrills Ford Library building into office space for Sheriff Deputies.

### Jail

It is the County’s responsibility to house all inmates as required by state law and the justice system, but many factors outside of the County’s control contribute to inmate population growth, including crime rate, types of crimes committed, and state legislation. The County’s ownership of half of the Burke-Catawba District Confinement Facility (BCDCF) has paid dividends for over 20 years by enabling Catawba County to relieve pressure on bed needs at the Catawba County Detention Center in Newton. Both counties experienced a surge in inmate population beginning in mid-2012 (an 18.4 percent increase in Fiscal Year 2012/13, with an additional 7.3 percent in Fiscal Year 2013/14 for Catawba). Despite freeing bed space at the BCDCF last year by no longer housing federal prisoners at that facility and renovating space in the old section of the Catawba County Detention Center to increase female bed capacity from 32 to 47 beds, continued

inmate population growth has put both counties near or at capacity in most months. In October 2014, Burke County notified Catawba County of its intent to build a new jail and to conclude the partnership, resulting in an agreement between the two counties to close the facility no later than December 31, 2021. Without the BCDCF, Catawba County will need to expand the detention center in Newton to meet current and future bed space needs.



Building a new jail or expanding an existing jail is a long process with roughly a three-year lead time to design, build, and become operational. The Catawba County Detention Center was designed with this in mind, with the capacity to readily expand the existing design by 256 beds in anticipation of future expansion needs.

Since the last jail expansion, Catawba County has been renting a limited number of beds to the federal government at the Newton jail and banking the proceeds to help fund the expansion and reduce total costs to taxpayers. To date, \$2.38 million has been set aside, with an additional \$650,000 planned in Fiscal Year 2015/16. The County’s foresight in setting these funds aside will result in \$1.23 million in savings to citizens through interest cost avoidance, based upon the fact that the County will have to borrow almost \$3 million less.

The budget also includes dedication of 1.5 cents on the tax rate toward the jail expansion, planned in Fiscal Year 2017/18.



*Jail Diversion Efforts*

On average, it costs Catawba County \$75 per day to house one inmate. To save money and prolong the life of the existing detention center facilities, the budget funds jail diversion efforts with an anticipated return on investment of \$14 savings for every \$1 spent. Without the following services from Repay, which help prolong the capacity of the existing facility by avoiding 25,876 bed days valued at \$2.15 million annually, a jail expansion would have already been necessary:



- Pretrial Services helps expedite the release of non-violent inmates after interviewing them, either through disposition of cases or bond modifications. These efforts decreased the average daily jail population by 24 inmates, avoiding \$649,575 in jail costs per year.
- Justice System Coordination focuses on getting people through the judicial system as quickly as possible, assisting defendants with Affidavits of Indigence, working to assure priority courtroom use through pleas and other methods, and improving technology in courtrooms, reducing the average daily jail population by 55 inmates, avoiding \$1.5 million in jail costs per year.

*Other Public Safety*

The Conflict Resolution Center (CRC) provides services to divert criminal and civil cases from court that can potentially be settled through mediation and conflict resolution strategies. Effective January 1, 2013, the General Assembly mandated that all citizen-versus-citizen warrants be referred to mediation on a fee basis. Prior to the mandate, however, Catawba County was already providing mediation because it is proven to be effective in diverting cases from courts and achieves a strong return on investment. In Fiscal Year 2013/14, the CRC received 591 referrals resulting in 275 cases being successfully mediated (84.7 percent success rate). The fees for service don't fully cover the cost to provide the service in Catawba County court rooms (located in Hickory and Newton) a total of four days per week. Accordingly, the budget provides \$13,000 toward the cost of this program.



The budget increases funding for the Lake Norman Marine Commission (LMNC), an agency dedicated to preserving safety and recreation on the lake. LMNC is funded equally by the four counties bordering Lake Norman (Catawba, Lincoln, Iredell, and Mecklenburg). After consultation with each County, this budget funds \$27,000 in Fiscal Year 2015/16. Funds are used to maintain the navigational system, to control the Hydrilla exotic weed growth through continued introduction of sterile grass carp, to promote safe boating, and to maintain water quality on the lake.



## Public Health

### Partnerships

Community partnerships continue to be an emphasis for Public Health. Over the last several years, working with Catawba Valley Medical Center (CVMC) to provide maternal health services and with Catawba Pediatrics for child health services, rather than directly providing the services at Public Health, have been efficient and effective ways to assure high quality care for citizens in need rather than directly providing the service at Public Health. CVMC has also been a vital partner in the school nurse initiative, providing \$500,000 toward the effort to place school nurses in schools throughout the County's three public school systems. Recognizing the link between health and academic achievement, the hospital is doubling its investment in the school nurse program in the coming year, freeing \$250,000 in County funding to address a structural deficit in Public Health, in addition to the previously mentioned \$250,000 (\$10 per pupil) that frees state money for schools to address other school pressures. Partnerships such as this clearly demonstrate the value of CVMC as a community asset.



### Doubles its investment in School Nursing Program

### Public Health Rightsizing

For the third consecutive year, Public Health will take steps to right-size its department in response to diminished revenues in Home Health resulting from a changing payer mix (the type of clients served), an increasingly competitive home health market, and further adjustments to Medicare and Medicaid reimbursements. The County employed a two-fold plan to close this deficit: reducing expenses and increasing funding. Expense reductions totaled over \$450,000 and included the elimination of four positions: a Home Health Nurse, a Charge Nurse, a Public Information Officer, and an Interpreter. In order to prevent further service reductions, County funding to Public Health is increased by \$137,000 and \$250,000 previously required to support school nurses is freed for other purposes thanks to CVMC's increased investment in school nurses. This local funding increase brings Catawba County closer to the average County contribution provided to comparable Public Health departments across the state.

Winner of the



*J. Robert Havlick Award  
for Innovation  
in Local Government*

### Alliance for Innovation Award: WIC Farmers' Market

Public Health Farmers' Market was selected as the winner of the 2014 J. Robert Havlick Award for Innovation in Local Government from the Alliance for Innovation. Innovation award recipients were chosen from more than 100 applications. Award recipients have shown their dedication to stretching and improving the boundaries of day-to-day government operations and practices, implementing creative business processes, and improving the civic health of the community. The Market

was recognized for its success in increasing access to and consumption of fresh produce for participants in Public Health's WIC supplemental nutrition program, in alignment with the Board of Commissioners' recent focus on local foods and implementation of the Farm & Food Sustainability Plan. The WIC program provides nutrition education and supplemental foods to eligible women, infants, and children of Catawba County. In the US, every WIC dollar spent on a pregnant woman saves





\$4.21 in Medicaid cost during the first 60 days of an infant's life. Over 2 seasons, the Market, located in the parking lot of Catawba County's Public Health facility, increased the county redemption rate of WIC Farmers' Market vouchers to 64.37 percent in 2014, from 51.29 percent in 2012. This places the County in 1<sup>st</sup> place statewide for redemption of WIC vouchers. The WIC Farmer's Market has also been the recipient of the following recognition:

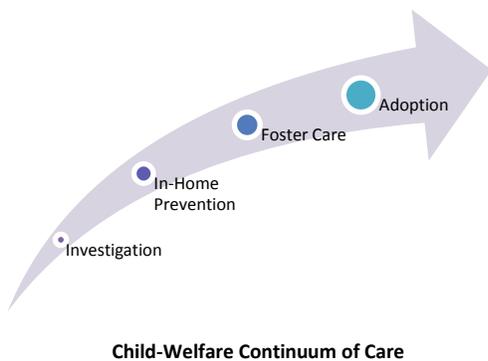
- 2014 Outstanding Program Award from National Association of Counties (NACo)
- 2014 Community Leadership Award from President's Council on Fitness, Sports and Nutrition
- 2015 ICMA Local Food Systems Case Study

## Social Services

Social Services underwent significant funding and personnel reductions in preparing for Fiscal Year 2015/16, reducing its budget by nearly 6 percent (approximately \$620,000) to cover State/Federal funding losses and program restructuring efforts.

### Foster Care

One program that is undergoing a restructuring is Residential Services, which is transitioning from a mental health model to a foster care model due to continued State-wide mental health reform. Social Services recently received a licensure change for its group homes, whereby the County no longer provides residential care to children with severe behavioral issues, instead focusing its residential care services on children requiring more basic foster care.



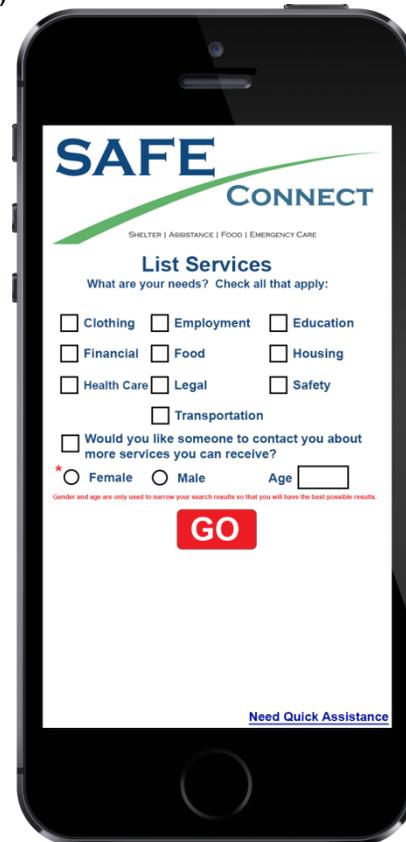
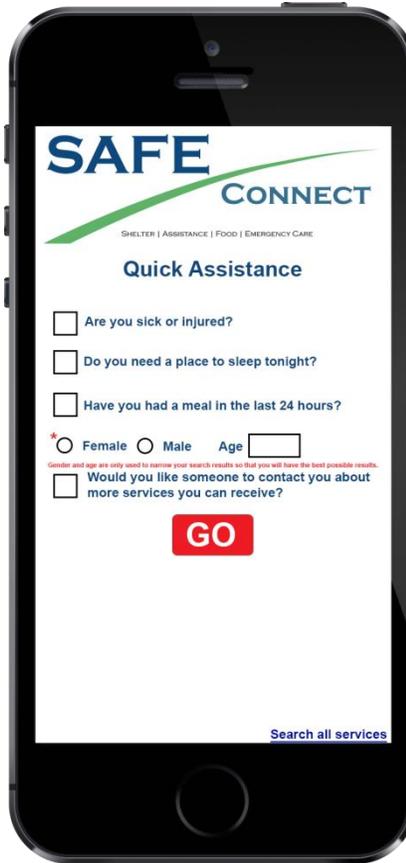
As a result, Social Services will change the way it provides the higher level care to children with more severe needs--shifting to the less intrusive community-based therapeutic foster care approach. This will help manage the County's (and State's) growing issue related to the number of children in foster care, and the desire to keep our own foster children in Catawba County. Consistent with a State-wide trend, the number of foster children in custody in Catawba County has increased dramatically. Since 2012, the Federal Government has restricted the use of Title IV E funding, which has led to a reduction in In-Home Prevention, a vital part of the Child

Welfare continuum. In essence, In-Home Prevention services keep families together by allowing them the opportunity to work through any issues that are cause for concern before taking more drastic measures of removing the children from the home. With these increased restrictions came reductions in the amount of time In-Home Prevention could be used, from 18 months to 6-8 months, which has made it more difficult for parents to achieve their goals related to unification, thus causing more children to enter into foster care. In response to this trend, Social Services is developing a plan to expand the County's foster home capacity by using licensed citizens to serve large sibling groups. These groups are often separated because traditional foster homes often do not have the capacity to keep larger sibling groups together. Over the course of the coming year, Social Services' progress in expanding community-based foster home capacity will be monitored, and continuation of the County's operation of residential group home facilities will be re-evaluated.



*NCFAST*

The North Carolina Families Assessing Services through Technology (NCFAST) portal is the State’s case management system. It has been in place statewide for two years. While Catawba County did not experience nearly the same level of system-related problems as other counties across the state in terms of service backlog and benefits interruption, the NCFAST technology continues to be problematic, both state-wide and locally. (The County experienced fewer issues because of staff’s heavy involvement on the state-level steering committee, which allowed the County to influence technology design, lobby for beneficial improvements, and minimize negative impacts to the extent possible.) One persistent problem is Social Services’ inability to generate critical reports. Basic data, such as total caseload for the department, is available; however, more refined reports – such as individual case loads or the number of unduplicated persons receiving food assistance within a given period – are nearly impossible to generate. This type of data was readily available prior to NCFAST’s implementation. Social Services will continue to advocate for improvements to the system to enhance service provision to the County’s citizens.



*Child Wellbeing Project recognized by Alliance for Innovation, NACO, and Harvard University:*

The Child Wellbeing Project of Social Services, which has been repeatedly recognized for innovation through various award programs, works with families when children leave foster care under age 16 for their reunified, guardianship, or adoptive families. These families are offered the opportunity to receive up to two years of extended services, including educational services to promote achievement and continuity and post-care clinical services. Families have a success coach, who works with them to enhance parenting, communication, and other life skills. As part of this project, the Children and Youth Investment Team (CAY-IT) works collaboratively with different governmental units to streamline the process for finding permanent placements for children in foster care who have been in care longer than average.

*Addressing Homelessness through Innovation*

Catawba County was one of eleven local governments in North America to participate in the Alliance for Innovation’s Innovation Academy, which provides a virtual curriculum to strengthen the culture of innovation in organizations and assist teams to develop an innovative project in their communities. The County initiated



a project called Safe Connect Catawba to prevent the next generation of homelessness by connecting at-risk youth with the services they need, and build ongoing community capacity to help these youth thrive by establishing relationships with various agencies that provide assistance. The County's project team included employees from Social Services, Public Health, Technology, and Library, and community partners from Salvation Army, Sipes Orchard Homes, Hickory Soup Kitchen, Hickory Police Department, Partners BHM, Education Matters, and the WPCOG. The group is developing a website and mobile application to help people who are homeless or at risk of homelessness quickly find services and resources.

### *Other Items*

In addition to Foster Care and NCFASST, Social Services will focus its efforts on strengthening the community by increasing Senior Nutrition's volunteer base to serve the County's homebound seniors, assessing service provision for homeless populations to put them on a path to self-sufficiency, and developing and implementing poverty prevention efforts to better serve individuals and families.

### **Partners Behavioral Health Management (BHM)**

Since mental health reform began over eight years ago, the State has increased its responsibility for and control over mental health services through a series of mergers and the establishment of Managed Care Organizations (MCOs). Partners BHM is the MCO for Catawba, Burke, Cleveland, Gaston, Iredell, and Lincoln Counties. Each county

continues to provide funding for services not otherwise supported by Federal or State funding based on individual county needs. The budget includes \$509,000 for Partners BHM to fund the following services that benefit Catawba County citizens:

- Psychiatric support services through Catawba Valley Behavioral Health.
- Mental health and substance abuse services to inmates in the Catawba County Detention Center including mental health assessments, assistance with involuntary commitments, substance abuse treatment, anger management, and on-call assistance.
- Support to LifeSkills, a day treatment program that provides independent living skills and vocational training opportunities for individuals with severe or profound developmental disabilities.
- Assistance to residents of Newton Apartments through a housing subsidy program to assist individuals with disabilities to afford housing and connect them with mental health services.
- Temporary housing funds to assist individuals with mental health issues to obtain temporary or emergent housing until a more permanent solution can be found.

Additionally, \$100,000 is budgeted in restricted alcohol and beverage control (ABC) funds for alcohol and substance abuse treatment in Catawba County.



## Planning

The Planning Department promotes and maintains the orderly physical growth and development of Catawba County to improve the quality of life for its citizens, preserve community character, and provide economic development opportunities within the County. Planning’s budget for Fiscal Year 2015/16 is largely consistent with its current year budget. In keeping with the modest increase in local building and development activity, the workload for the Planning department has picked up over the course of Fiscal Year 2014/15, although this increase in activity has not been significant enough to necessitate any changes in staffing. Two large projects of note are Park 1764 and the Village Center at Sherrills Ford. As the economy starts to rebound, projects like these are potential catalysts to energize development in the County.

### *Park 1764*

This project, which is linked to the Building Quality Shell Buildings and Parks workgroup of Innovate Catawba, represents collaboration between the EDC, the City of Hickory, and Catawba County. The Board of Commissioners has set a goal of establishing investment parameters for the park’s development. The concept for the site entails construction of a high-end business park that is aesthetically compatible with the surrounding Startown/Sandy Ford Road community. (The land was formerly a dairy farm and will retain characteristics of its history, like the grain silos.) Patterned after Treyburn Business Park in Durham County, Park 1764 will be the only location of its kind between Asheville and Winston-Salem. The park is intended to be low-impact, eco-sensitive, and attractive to high-tech industry/upper-end businesses.

### *The Village at Sherrills Ford*

This project represents the first recent major development to take place in the area identified as the County’s fastest growing region. In 2007, prior to the recession, a development agreement had been approved to develop multiple properties in the Sherrills Ford area but, with the recession, investment dried up, delaying these efforts. The Village Center at Sherrills Ford will be a 200-acre mixed-use development that will have 775 residential dwelling units (325 single-family homes and 450 multi-family homes) and 665,000 square feet of retail, office, and medical space. The property will be pedestrian friendly and take advantage of its lake view. Overall aesthetics of the property will be consistent with the County’s Unified Development Ordinance standards, including:

- Consistent architectural theme and color scheme
- Screening of outside storage
- Buildings greater than 75,000 square feet must break up the front of buildings with recessed sections and projections.



*Proposed Village at Sherrills Ford development plan*



In conjunction with this project, the developer has agreed to donate \$500,000 paid in 4 equal installments over 3 years to develop nearby Mountain Creek Park, contribute 1.5 acres for Catawba County’s future use as a government services center, provide Catawba Valley Medical Center with the option of purchasing 3 acres for future development of a medical facility, and provide the YMCA with the option of purchasing land for potential construction of a facility there.

The County continues to promote economic development opportunities along Highway 150, Highway 16, and US Highway 321, and to advocate for transportation improvements along Highways 150 and 16, consistent with the Board of Commissioners’ Fiscal Year 2015/16 goal. Highway 150, due to the likelihood of increased traffic resulting from the Village Center development, is a pressing concern for residents in Southeastern Catawba County. The County continues to advocate at the State level for funding to improve this major throughway. In the Highway 16 Corridor, Planning will work with NCDOT and the Western Piedmont Council of Governments to prepare and adopt the Countywide Bicycle Mapping and signage project. For US Highway 321, the County will continue to work to engage existing businesses as active participants in the development of the Carolina Thread Trail (CTT) network.

## **Parks**

Established in 1999 with the construction of Riverbend Park, the Catawba County Parks system has experienced rapid growth, building Bakers Mountain Park in 2002 and adding St. Stephens Park in 2008. Today, the parks system serves approximately 110,000 patrons a year and is widely recognized as a valuable community asset.

### *Parks Master Plan*

The Catawba County Parks Comprehensive Master Plan was first written and adopted in 2007 as the 10-year framework for long-range planning of the park system. The Master Plan identified the parks’ current and future needs, such as renovation, construction, land purchases, development and operational policies. Due to the park system’s rapid expansion and growth in visitation, the Plan needed updating sooner than expected, so in 2014 the County did just that. A key component to updating the Plan was gathering community input, with 161 people attending public forums and 655 people returning surveys, providing insight and feedback concerning the development of Catawba County Parks. The updated Master Plan was presented May 18, 2015.

#### **Top Parks Priorities**

Increase Operating Hours

Ensure ADA requirements are met

Maintain and improve park facilities

Acquire contiguous land adjacent to parks

Increase educational program frequency

Develop stewardship and volunteerism

Promote intergovernmental cooperation

Increase connectivity of County greenways and public facilities

Promote land uses and site designs

Develop Countywide marketing plan for Parks



### *Parks Hours*

Consistent with the priorities identified in the Master Plan, the budget includes funding to restore hours of operations at Riverbend, Bakers Mountain, and St. Stephens Parks to the weekly 6-day schedule from the current four-day schedule. Since 2007, the County has owned a parcel of land in Southeastern Catawba County that it intends to develop into Mountain Creek Park, when funds become available. Increasing hours of operation positions the department to be more competitive and have an increased likelihood of securing State Parks and Recreation Trust Fund (PARTF) funding for the construction of Mountain Creek Park. (PARTF funding provides dollar-for-dollar matching grants to local governments for parks and recreation projects to serve the public.) As previously mentioned, as part of the Villages at Sherrills Ford project, the developer has agreed to donate \$500,000 paid in 4 equal installments over a 3 year period to develop Mountain Creek Park.



Riverbend Park

Attendance at County parks continues to increase. Opening the parks more days per week enables greater parks usage, improving service to citizens and community partners. The budget also funds a range of capital improvements at Riverbend Park that will enhance park users' experience, including things like facility painting, bathroom fixture replacement, and repair and maintenance of trail markers, picnic tables, and trash cans.

### **Building Inspections**

The rapid decrease in building permit activity in Fiscal Year 2010/11 as a result of the recession resulted in the elimination of 9 Building Inspection positions during the next year. The County maintained a minimum number of highly-skilled staff in these hard-to-fill positions, to keep some level of expertise in-house (because staff for these positions cannot be readily hired off the street) and to handle ongoing renovation activity. Since then, activity has improved, and over the past three years has steadily increased. In FY2014/15, building permit revenue is projected to reach \$1.1 million, and permit activity will reach 7,856 annual permits. This reflects a 2 percent increase in permit activity from Fiscal Year 2011/12, a good sign that building activity in the County – while not reaching pre-recession levels, is improving.

With the increase in building permit activity, inspectors are conducting on average 15 inspections per day compared to the State-recommended limit of 12 inspections per day. Inspectors have been able to maintain this higher ratio thanks to technology that allows them to access information in the field. As permit activity (particularly renovations) continues to increase, this ratio is expected to increase. Therefore, the budget reclassifies a vacant Plan Review Supervisor position to a Building Inspector. This will allow more inspectors in the field and help reduce the number of daily inspections conducted to more closely align with the State-recommended limit. Existing staff will absorb the Plan Review Supervisor's duties, thereby saving \$40,000 in the Fiscal Year 2015/16 budget.



## Library

The Library is a critical community asset, providing a place where anyone can access information and assistance. In times of economic downturn, libraries typically experience increased use from citizens in need of resources. The Catawba County Library system continues to see increased use in Fiscal Year 2014/15 as library visits from October 2014 to March 2015 increased by 7 percent to over 200,000 visits, compared to the same time period last year. Circulation of library materials in the same six month period grew 1.3 percent compared to last year.

### *Strategic Plan*

As County libraries play a key role in economic recovery, Catawba County continues to value its library services and programs as a way to empower lives and build community. This year, the Library underwent a strategic planning process to guide the department’s priorities for the next three to five years. Based on a comprehensive community needs assessment, the Library will focus its efforts on the following priorities:



As a Community Center of Excellence, Fuel Citizens’ Passion for Reading, Personal Growth, and Learning



Innovate to Provide 21<sup>st</sup> Century Access that Empowers our Citizens



Library Anytime, Anywhere: Expand Citizens’ Access to Information and Ideas

Based on these goals, the Library anticipates increasing emphasis on e-resources and technology, enhancing community outreach and engagement efforts, and refreshing the physical branch locations to be more comfortable and welcoming. Work has already begun to update self-checkout technology system-wide (used nearly 27,000 times in the last year), which saves time and improves customer convenience. Efforts to improve aesthetics at the Main Branch in Newton and to enhance the space layout at the Maiden Branch facility, which was given to Catawba County when the Town of Maiden relocated its Town Hall to the newly constructed building nearby, are also underway. This year, the cost of the annual lease for the Southwest Branch was renegotiated, saving \$15,200 a year over the next 5 years and freeing up those funds for potential investment in strategic plan priorities.

### *Partnerships with Municipalities*

The Library continues to value partnerships with other local governments to provide open, equal access to information for citizens. The Cities of Claremont and Conover, and the Town of Newton make

## ENHANCING QUALITY OF LIFE

financial contributions to the library branches in their respective municipalities. Additionally, library branches are located in buildings owned by the Cities of Claremont and Conover.

### *Sherrills Ford – Terrell Library*

The new Sherrills Ford – Terrell Library opened in September 2014 to a crowd of more than 800 visitors. The facility is 10,030 square feet, with a dedicated children’s area. It offers two self-checkout stations, mobile bookshelves, and no centralized circulation desk to promote flexibility for library patrons. A multipurpose/meeting room that can hold up to 80 people is available for community meeting use. Along with being multifunctional, the facility is LEED certified, lowering operating costs, conserving water and energy, reducing greenhouse gas emissions, increasing occupant safety, and enhancing the building’s value.

The Sherrills Ford – Terrell Library experienced dramatically increased library use from October 2014 to March 2015 compared to the same months in 2013-2014. Circulation of library materials grew 82 percent to 34,148 items checked out or renewed. In addition, library visits increased by 47 percent to over 24,300 visits. Meeting room use rose from 170 to 1,112 attendees, with 51 meetings held in the new community space compared to only 6 at the old facility.

**82% increase  
in items  
circulated at  
Sherrills Ford -  
Terrell Branch**

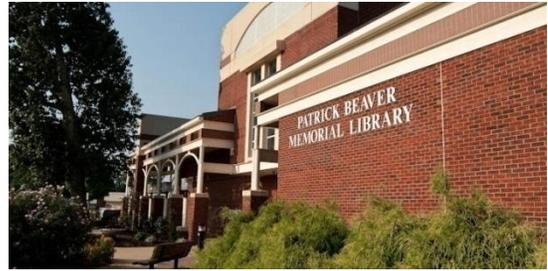


**Sherrills Ford - Terrell Library**



**Other Cultural**

In addition to Catawba County Libraries, the budget continues to provide support for Hickory Public Libraries (\$213,000) so that Catawba County citizens living outside the city limits can use the Patrick Beaver and Ridgeview Libraries for free. The two library systems also partner on programming annually to ensure citizens receive quality library services.



The budget continues funding for the United Arts Council at \$147,000 which is roughly equivalent to \$0.95 cent per citizen. County and municipal funds are used to match North Carolina Grassroots Arts funds for Projects Pool grants and for Community Cultural Fund grants which help to underwrite arts events in communities throughout the county, particularly for underserved, rural or ethnic groups. Many of these programs require matching dollars from the applicants, leveraging the County’s allocation for an estimated \$4 spent in the community for every \$1 granted.



Non-profit and for-profit arts and culture organizations in the community are drivers of economic activity. In addition to the direct spending associated with arts-related jobs, the level of indirect spending catalyzed by arts and cultural events is significant. Many people will make an evening out of attending an arts or cultural

event, taking in dinner and shopping in addition to the event itself. These expenditures benefit business and generate tax revenue for local government. According to a national study conducted by Americans for the Arts, the typical arts attendee spends \$24.60 per person per event above the cost of admission. Additionally, arts and culture organizations enhance the quality of life in a community and attract citizens who value creativity and self-expression, an Innovate Catawba goal.

For these reasons, Catawba County’s investment in local arts and culture organizations makes good economic sense. The County provides annual funding to the United Arts Council, which is the designated County partner appointed by the North Carolina State Legislature to receive State funds. County funds are matched with State dollars for cultural projects in Catawba County, including Projects Pool Grants.



PROVIDING A HOME FOR SCIENCES, ARTS & LITERATURE TOGETHER.



*Catawba County Museum of History*

Both the Salt Block (which houses the Arts and Science Center, the Hickory Museum of Art, the United Arts Council, and funded affiliates) and the Newton-Conover Auditorium receive County funding toward the upkeep and maintenance of these community facilities.





## **Elections**

### *Voting Law Changes*

North Carolina’s General Assembly passed House Bill 589, the Voter Identification and Verification Act (VIVA), in 2013, which put in place several changes that will impact voters:

- Introduction of a presidential preference primary in February or March
- Change to voting equipment that uses paper ballots
- Requirement to show a photo ID to vote

### *Presidential Preference Primary*

By the time North Carolina conducts its normal May primary, primaries in other states have typically already determined the presidential nominee for each party. The new law creates a separate presidential preference primary earlier in the process, if South Carolina holds a Presidential Preference Primary before March 15 (which, historically, has been the case). This primary is projected to cost Catawba County \$171,381, and will occur once every four years in addition to the May primary.

### *Elections Equipment*

Catawba County Board of Elections last purchased voting machines in Fiscal Year 2005/06, with a Help America Vote Act grant of approximately \$1 million. At the time, the machines were expected to last 10 years, which is fast approaching. Some of the voting machines, such as the voting tabulators, have needed repair in the last two years, and maintenance support for these machines is limited as the manufacturer has discontinued making the machine.

In addition, the State of North Carolina mandates that by January 1<sup>st</sup>, 2018 no electronic voting system may be used unless

that system generates an individual paper ballot marked by the voter. This provision impacts Catawba County because the current electronic touch-screen machines used at one-stop voting sites do not generate individual paper ballots.

Due to the age of the County’s voting equipment and compliance with VIVA provisions, the County is in the process of purchasing new election equipment using \$600,000 reserved for this purpose in Fiscal Year 2014/15. The recommended new equipment (pictured below) will generate an estimated per-election savings of \$5,400 related to the ability to print ballots on-demand on Election Day (and therefore pre-order fewer paper ballots), and \$4,500 in savings related to decreased need for poll workers due to equipment-related efficiencies.

During early voting, citizens will vote using the touch screen voting machine pictured first below. This machine will print a paper ballot for the individual to verify. The voters will then insert their ballots into the machine pictured second below to be counted.

Citizens voting on Election Day will mark a paper ballot and insert it into the machine pictured second below to be counted.



*Express Vote Touch Screen Unit*



*DS200 Scanner*

### **COOPERATIVE EXTENSION**

The year 2014 marked the 100-Year Anniversary of North Carolina Cooperative Extension Service, funded through a partnership between North Carolina State University (NCSU) and each of North Carolina's one hundred counties. In recent years, a structural deficit at the State level and continued funding reductions have led to long-standing vacancies going unfilled by the State, and an overall reduction in the levels of service previously enjoyed by Catawba County's citizens. To deal with this issue, NCSU reorganized Extension services, limiting State investment to Agriculture, Food, and 4-H Youth Development.

Locally, the State reorganization takes the shape of five positions funded through the 50-50 percent County-State cost share agreement, consisting of 1 full-time Row Crops / Traditional Agriculture Agent (who will also serve as Extension Director for the Catawba County office), 1 full-time Livestock Agent, 1 full-time 4-H Agent, 1 half-time Family & Consumer Sciences agent, and 1 full-time administrative assistant.

Support for the Local Foods Agent Position increased in the budget in order to continue the momentum around the Board of Commissioners' recent goal of implementing the Farm & Food Sustainability Plan. Cooperative Extension has become a strong advocate for local foods, with the Local Foods Agent working to grow the Eat, Drink, and Be Local celebration into an annual tradition, promoting agricultural literacy with local farm tours, and spearheading efforts to diversify the County's agricultural production capacity by assisting farmers in transitioning to grow high-demand crops.

Last, in order to make up for the capacity lost via elimination of the administrative assistant position, which primarily supported 4-H Youth Programming, the County has increased funding for the entirely locally-funded 4-H assistant position, enhancing 4-H's Science, Technology, Engineering, & Math (STEM), Leadership, Life Skills, and Healthy Lifestyles programs.

A summary of staffing changes resulting from NCSU's new staffing model are as follows:

- Environmental and Natural Resources agent eliminated;
- One Administrative Assistant has been eliminated;
- County funding support of the Local Foods Agent position has been increased; and
- County funding for a 4-H Assistant has been increased to offset the loss of service from the Administrative Assistant.





**CATAWBA COUNTY RANKED #1**  
**AGAIN FOR TOTAL PUBLIC**  
**RECYCLING IN 2014**



## **Solid Waste**

### *Recycling*

Catawba County continues to be a statewide leader in recycling, ranking #1 in the State in 2014 for total public recycling per capita. In 2014, Catawba County citizens recycled an average of 507.55 pounds per person with an 88.3 percent participation rate in the residential curbside recycling program. This is a significant achievement, and represents the 8<sup>th</sup> year in a row the County has ranked either #1 or #2 in the state. Without these recycling efforts, projections indicate a new Landfill cell (estimated to cost just under \$7.5 million) would be needed at least 2 years earlier than the current estimation of June 2021.

### *Household Hazardous Waste Collections*

Last fiscal year, the County began accepting paint and electronics year-round at the Blackburn Landfill for free. This program gives citizens a convenient place to recycle these materials and helps the County to comply with State law, which bans certain materials in the Landfill. The collection effort through the annual Household Hazardous Waste (HHW) one-day event on November 1<sup>st</sup>, 2014 at LP Frans Stadium in Hickory was on track. This event provided 509 vehicles convenient access to recycle 56,347 pounds of HHW, paint, pesticides, and electronics free of charge. This effort also significantly helps prolong the life of the existing landfill and delays the opening of the new Landfill cell.

## **Energy Retrofits**

Catawba County continues to pursue energy efficiency because it preserves the environment and saves money in the long-term. To continue this effort, a series of systematic energy audits at County facilities have been conducted, and major recommendations have been prioritized for implementation. Thus far, Catawba County has upgraded 85% of County buildings' total square footage. Next year, efforts will focus on additional investments at the Public Health building based on energy audit recommendations.



An ongoing project to save energy and money is the energy lighting retrofit project, which is the replacement of T-12 lighting with T-8 lighting or better. Fourteen out of 31 buildings (15 percent of total County-owned or County-maintained space, or 91,804 square feet of a total of 631,359) remain to replace the T-12 bulbs. However, the return on investment for these remaining retrofit projects is still being evaluated. Based on analysis in November 2014, the retrofits completed to date have generated enough energy savings to power 18 homes for one year (\$25,814) with a payback period of 2.35 years.





## **Water & Sewer**

Water and sewer investments in the upcoming fiscal year address community priorities regarding environmentally-responsible sewage disposal and clean drinking water. They also work in support of the Board’s goal for increased economic development. Financially, these projects are supported by 1 cent (\$1.575 million) of the property tax rate dedicated to funding water and sewer infrastructure needs and the ¼ cent sales tax (\$700,354). These dollars will be crucial to partnering with municipalities to fund the planned water and sewer priorities.



### *New Project*

#### *Park 1764 Water and Sewer (\$700,000)*

This project, in partnership with City of Hickory, will provide water and sewer service on the property site located between Startown and Robinwood Roads. The \$700,000 represents the County’s 50 percent obligation.

Park 1764 will be the only Class A Business Park in the entire region and will appeal to international and upper-end business opportunities. Every 100 jobs created in the park equates to 177 total jobs throughout the community. It will also benefit existing businesses and could spur new housing construction.

### *Previously Approved Projects*

#### *McLin/Lyle Creek Sewer Outfall Phase 1 Loan Program (\$2,576,393)*

This project funding has been set aside to allow the County to partner with municipalities to extend sewer within the Lyle and McLin Creek basins in eastern Catawba County. It is currently awaiting agreement on the size of the project between the County, City of Claremont, and City of Hickory.

#### *Davis Road Water Loan Program (\$825,862)*

This project, in partnership with the Town of Maiden, will extend a water line from Water Plant Road down Davis Road to the intersection with Buffalo Shoals Road. Once complete, this project will supply water to approximately 45 homes and address water quality issues caused by stagnant water on the dead-end line. This project represents the first phase of a water loop that will tie two dead-end lines together, one located on Water Plant Road and the other on Buffalo Shoals Road. The project is currently under design and will be completed before the end of Fiscal Year 2015/16.



## Technology

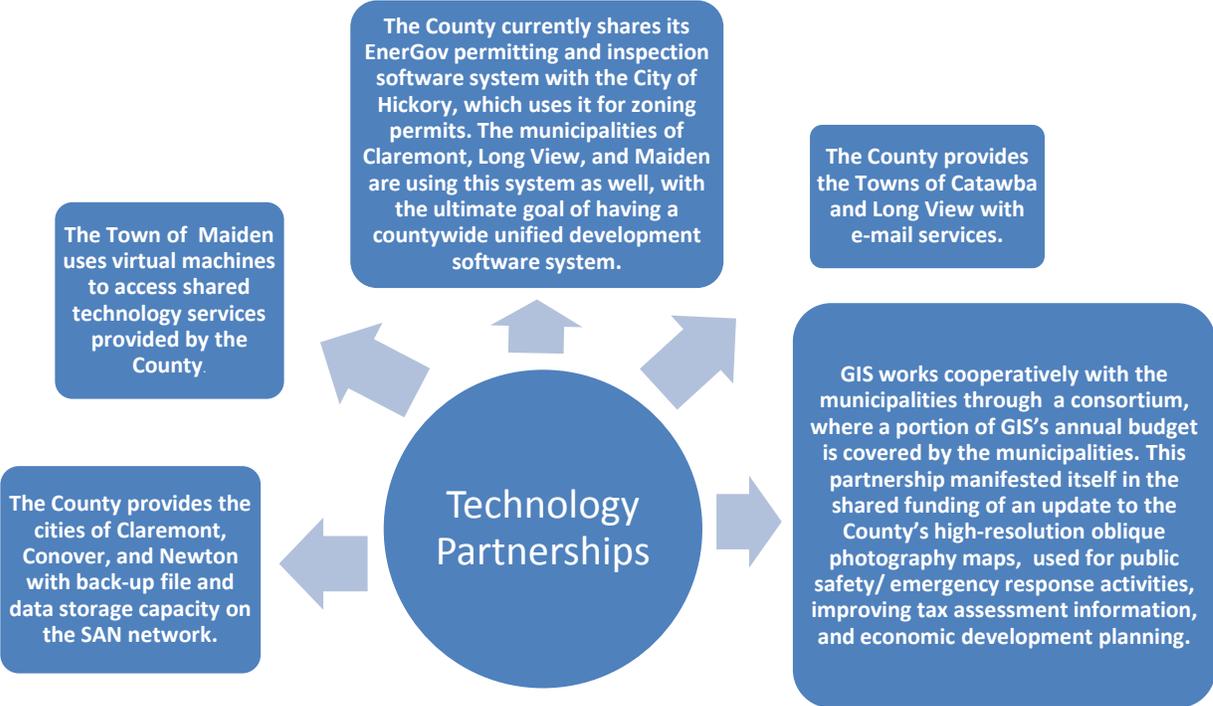
The County continues to invest in technology to provide a high level of service, improved reliability, and increased information access to citizens. These investments support the County’s efforts to make more information and services available to the public online, streamline (and improve) business processes, and mitigate costs. The upcoming projects are divided into two groups – Infrastructure and Software/Departmental Operations.

Project	Impact
<i>Infrastructure</i>	
Upgrade the Storage Area Network (SAN)	The SAN is where all data housed by the County is located. In addition to its own data, the County provides backup storage to municipalities. Ensuring that the SAN is up-to-date ensures that the data is safe and accessible.
Replacement of core and network switches	These switches are pieces of hardware that route information traffic to the County’s network and devices and other networks. This improvement will increase the County’s internal network speed from 100MB to 1 GB. Replacing old equipment will also increase the network’s reliability.
Update air fiber	Air fiber is a wireless network. This update will create a redundant fiber ring within the County’s IT infrastructure, ensuring the network is available 99.9 percent of the time.
Justice and Public Safety Center expansion	This project, slated to start in the middle of the fiscal year, will install new wireless and network infrastructure as well as audio video throughout the newly constructed buildings, providing better access to the Internet to citizens and employees, and improved access from mobile devices.
<i>Software/Departmental Operations</i>	
Full implementation of EnerGov mobile	This is a mobile version of EnerGov permitting and inspection system that will allow building inspectors to update information while in the field. This will also improve citizens’ access to the Building Permit software.
Map Breaking and Entering data	This initiative will enhance the Sheriff Office’s proactive policing efforts by identifying high-risk areas for strategic staging of patrol units.
Create web app to assist Public Safety officials throughout the county with resources to assist homeless / at risk youths	Homeless and/or at-risk-youth will be able to use this web app to locate needed services (food assistance, shelter, etc.) based on their location.
Damage Assessment on line collection with internal tracking and reporting	Online damage assessment will streamline efforts by Emergency Services and Tax after a disaster.



*Position Changes*

To successfully complete some of the aforementioned projects, Technology will declassify a PeopleSoft Administrator position to a Web Programmer. This position will primarily assist in the development, maintenance, and enhancement of the County’s mobile application, iCatCo. Also, a Project Manager position will be created by reclassifying a vacant Network Engineer position. This position is a necessity, given the Justice and Public Safety Center project that is currently underway. Outfitting the new building with the essential technology infrastructure will require a dedicated project manager to coordinate efforts.





**Positions**

Catawba County continues to review staffing needs annually, rightsizing in some areas while investing in others. The Fiscal Year 2015/16 budget eliminates or reduces hours for 29 positions and adds .65 FTE to three positions as follows:

<b>Position Reductions</b>	<b>29</b>
<b>Actions</b>	<b>Position(s) Impacted</b>
<b>Cooperative Extension</b>	
State-initiated elimination of Natural Resources Agent (0.5 FTE)	1
State-initiated elimination of 4-H Administration Staff (0.5 FTE)	1
<b>Finance</b>	
Reduce Finance Specialist position effective September 1 (0.5 FTE)	1
<b>Public Health</b>	
Eliminate Public Information Officer position (vacant position, 1 FTE)	1
Eliminate Accounting Specialist II position (vacant position, 1 FTE)	1
Eliminate Administrative Assistant III (vacant unfunded position, 1 FTE)	1
Eliminate Administrative Assistant (vacant position, 1 FTE)	1
Eliminate Administrative Accounting Specialist III (vacant position , 1 FTE)	1
Eliminate Charge Nurse II (vacant position, 1 FTE)	1
RIF Interpreter position (1 FTE)	1
Unfund Home Health Nurse position (1 FTE)	1
<b>Social Services</b>	
Eliminate Outpatient Therapist II (0.5 FTE)	1
Eliminate Social Worker Supervisor III (1 FTE)	1
Reduce Public Information Officer (from .08 FTE to 0.5 FTE)	1
Reduce Outpatient Therapist II (from .08 to 0.5 FTE)	1
Reduce Social Worker IIIs (4 positions reduced from 1 FTE to .8 FTE)	4
Unfund Social Worker Supervisor III position (1 FTE)	1
Unfund Social Worker Supervisor III position (1 FTE)	1
Unfund Social Worker III position (1 FTE)	1
Unfund Intensive In-Home Services Team positions (2 FTEs)	2
Unfund Admin Support position (1 FTE)	1
<b>Tax Department</b>	
Eliminate Mapping Technician position in Assessor (1 FTE)	1
Eliminate Office Support Specialist position in Assessor (1 FTE)	1
<b>Utilities &amp; Engineering</b>	
Shift Waste Reduction Coordinator to Solid Waste Fund (.25 FTE)	1
<b>Technology</b>	
Eliminate Web Content/Training Specialist position (.45 FTE)	1
<b>Declassified &amp; Reclassified Positions</b>	
<b>4</b>	
<b>Social Services</b>	
Declassify Attorney position to a Paralegal (1 FTE)	1
<b>Utilities &amp; Engineering</b>	
Declassify Building Services Official III to a Building Services Official I (1 FTE)	1
<b>Technology</b>	
Declassify PeopleSoft Administrator position to Web Programmer (1 FTE)	1
Reclassify Network Engineer position to Project Manager (1 FTE)	1

## HUMAN RESOURCES



New/Increased Positions	12
Action	Position(s) Impacted
<b>Emergency Services</b>	
Add Paramedics (4 positions, 4 FTEs) for Mountain View Base Expansion	4
Add Paramedics (2 positions, 2 FTEs) for Bandys at mid-year	2
Add Kennel Technician (1 position, 1 FTE)	1
<b>Sheriff</b>	
Add Criminal Investigator (1 position, 1 FTE)	1
<b>Parks</b>	
Add Park Ranger (1 position, 1 FTE)	1
<b>Cooperative Extension</b>	
Increase 4-H Program Assistant (1 position) from .75 FTE to 1.00 FTE	1
Increase County funding of Local Foods Agent (1 position) from .5 FTE to .8 FTE	1
<b>Technology</b>	
Increase E-911 Coordinator position (1 position) 0.9 FTE to 1.00 FTE	1

### *Salary and Benefits*

The budget includes 3 percent performance pay for employees who satisfy the performance expectations for their positions, as evaluated on their anniversary date. Funds are also available for one-time lump sum payments to recognize high performers.

Catawba County is self-insured for health care coverage. As such, financial sustainability and making decisions that incentivize the workforce to be as physically healthy as possible are important. When it comes to health insurance, physical wellness and fiscal wellness are inextricably linked.

- Healthy employees are more productive, based on fewer work days missed due to illness or injury;
- Preventive care is less costly than reactive care, and employees who enjoy the benefits of healthy lifestyles generally have lower insurance claims than those who face chronic illness or poor health.

Wellness efforts were expanded in Fiscal Year 2014/15 with the addition of eight programs to improve employees' fitness, nutrition, and weight management. Forty-nine percent of the employees identified as high risk through the annual wellness screening participate in these programs. Wellness programming has heightened awareness of the organization's overall health as well as each individual employee's health, and employees participate in these programs on their own time. Through the FitKIK program, participating employees walked a total of 410,891,085 steps from July 2014 to March 2015 (1,162,542 steps per employee on average). Employees participating in the Weight Watchers at Work program have lost a total of 166.3 pounds from July 2014 to March 2015.

Several years ago, the County created an on-site employee clinic called Employee Health Connection (EHC). This clinic, managed via contract by Catawba Valley Medical Center, saves the County and its employees both time and money--in the form of convenience, leave time / sick time avoided, and low-to no-cost basic preventive services--and reduces time away from work so citizens are better served. Some of these services provided by EHC include initial Workers Compensation reviews (24-hour recheck evaluations as well as drug screenings), physicals, annual blood screenings, health risk assessments, Hepatitis B injections, and Tuberculosis skin tests. The number of medical visits to the EHC grew by more than 7 percent in the first nine months of the fiscal year compared to the same time-period last year. So far this year, the EHC has already paid for itself and generated \$10,556 in savings (10 percent above the amount that Catawba County invested in the EHC) due to the higher cost of seeing a Primary Care Provider and estimated sick leave pay for employees to leave work for doctors' visits.

The County has done a great job engaging employees to improve individual health outcomes and using strategies like the on-site wellness clinic to save money. Savings are apparent when comparing the County's health care cost growth of 3 percent to the national cost increase of 7 percent. Despite these savings, health care costs have increased above current contribution rates. The budget also includes a \$30 per biweekly increase in the County's share of health insurance premiums, the first increase in 5 years.

Annually, Catawba County compares itself to its peers to ensure it remains an employer of choice. The HSA is competitive, offering the lowest individual (\$1,300) and family deductibles (\$2,600) allowed by the IRS. With elimination of the Buy-up Plan, the County no longer had a health plan option that provided doctor co-pays, while many other counties and cities do. In order to remain competitive, the Core plan will include doctor co-pays of \$25/\$50 beginning July 1. Employees who choose this plan will pay an additional \$8 per pay period for this enhanced benefit.

### Conclusion

The recent 2015 Revaluation presented fiscal challenges in terms of tax base erosion and revenue loss, and mounting service pressures caused difficult choices to be made in order to maintain the County's commitment to quality of life and strong programs. In the face of this revenue loss, the County continues to exercise strong fiscal stewardship and live within its means, as demonstrated by the \$1.5 million in operating budget reductions put in place to offset the costs of additional investments. For Catawba County and its citizens, the year ahead--while not without its challenges--holds some exciting potential and opportunities.

The proposed Fiscal Year 2015/16 Budget represents a strong commitment to preserving and enhancing quality of life, with significant investments in education, public safety (in enhanced EMS services, Sheriff staffing expansion, and plans for a future jail), and expanded parks operating hours. These strategic investments help to build momentum for our community's future, and there are more positive signs on the horizon. Local unemployment rates continue to improve, building activity continues to increase, albeit modestly, and consumer spending continues to grow.

Through these challenges, and into the future, Catawba County has and will continue to be steadfast in its focus on catalyzing economic growth and recovery for the region and on delivering quality programs and services to the community in a way that balances citizens' current needs with long-term financial stability. County employees continue to provide excellent customer service, looking for additional ways to improve citizen convenience, access, and staff productivity. The foundation of innovation and creativity that has fostered the delivery of high quality services and programs for the community will not change.

This budget message and the complete budget document are accessible on the Internet at [www.catawbacountync.gov](http://www.catawbacountync.gov).