

Catawba County Functions Linked to BOC Goals

Board of Commissioners' Fiscal Year 2016/17 Goals

Adopted October 5, 2015

1. Lobby private providers and State and Federal government to expand broadband internet availability throughout County, connect key community assets, and work to address geographic areas with deficient service.
2. 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. Aggressively promote and market economic development.
  - 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.
3. Collaborate with the Economic Development Corporation, Convention & Visitors Bureau, Chamber of Commerce, and others as appropriate to brand and market key community strengths:
  - a. Location: proximity to major airport, ease of highway access, short distance from other attractive communities with strong amenities
  - b. Community arts, culture, and recreational amenities
  - c. Overall quality of life: cost of living, availability of health care, low crime rate, quality of education, etc.

**General Government**

Provides administrative support for County government. It includes direct public services such as the Board of Elections, Register of Deeds, and Tax as well as County Administration including the Board of Commissioners, County Manager, Human Resources, and Finance.

**Public Safety**

Composed of the Sheriff's Department, Emergency Services, E-911 Communications Center, and Other Public Safety activities (Lake Norman Marine Commission, Pre-Trial Services, Repay Sentencing Service Program, and Conflict Resolution Center). The Sheriff's Office includes the following activities: Administration, CVCC Officer, Resource Officers, Records, Mental Health Transport, Crime Prevention, Narcotics, Detectives, Lake Norman Water Patrol, Court Security, Newton Detention Facility, Prisoner Food Service, and the Burke-Catawba District Confinement Facility. Emergency Services consists of Emergency Services Administration, Veterans' Services, Emergency Medical Services, Fire/Rescue Division, Fire Fighting Alarms, Animal Control, and the Animal Shelter. The Emergency Services division is also responsible for Rescue Squads and Volunteer Fire Departments. The E-911 Communications Center provides emergency and administrative communications for the citizens of Catawba County by placing them in touch with public safety and related government services agencies.

**Economic & Physical Development**

Includes the Technology Department, Planning, Parks, and Development, Utilities and Engineering, Other Economic Development (Chamber of Commerce, Western Piedmont Council of Governments, Economic Development Commission), and Facilities. Technology consists of the Information Technology Center and GIS. Utilities and Engineering includes Administration, Building Services, Permit Center, Plan Review, and Local Code Compliance.

**Environmental Quality**

Consists of Cooperative Extension Services, Soil and Water Conservation, and Forestry.

**Education**

Includes the three school districts Catawba County Schools, Hickory Public Schools, and Newton-Conover City Schools and Catawba Valley Community College.

**Culture**

Composed of the County Library system, the Historical Museum, Catawba County Council for the Arts, Salt Block, Newton-Conover Auditorium, and the Patrick Beaver Memorial Library. The Main Library is located in Newton with branch facilities in the Maiden, Sherrills Ford, St. Stephens, Mountain View, Conover, and Claremont areas.

| BOC Goals by Function           | 1 | 2a | 2b | 2c | 2d | 2e | 3a | 3b | 3c |
|---------------------------------|---|----|----|----|----|----|----|----|----|
| General Government              | X | X  | X  | X  | X  | X  | X  | X  | X  |
| Public Safety                   |   |    |    |    |    |    |    |    | X  |
| Economic & Physical Development | X | X  | X  | X  | X  | X  | X  | X  | X  |
| Environmental Quality           |   |    |    |    |    | X  |    |    | X  |
| Human Services                  |   | X  |    |    |    | X  |    |    | X  |
| Education                       |   | X  |    |    |    |    |    |    | X  |
| Culture                         | X | X  |    |    |    |    |    | X  | X  |

Local government, like most industry, has a vocabulary of its own. This section of the budget is designed to help the average reader use this document by explaining how the document is organized and by defining some of the more common terms used in local government finance.

### FINANCIAL DOCUMENTS

The budget is the financial plan for County operations for the fiscal year beginning July 1, 2016, and ending June 30, 2017. The budget shows the source of revenue and how these sources will be spent. It also contains outcomes, goals, and objectives the County departments have set for the year. The budget and the audit are the key financial documents that the County uses to illustrate its financial plans and status. The budget looks ahead to the coming year and shows how funds plan to be spent, while the audit shows the County's year-end financial condition. The audit document is produced annually a few months after the end of each fiscal year (October or November) while the budget is produced annually at the beginning of each fiscal year (final copies are usually made available to the public in mid-July).

### SUMMARY OF LEGAL BUDGET REQUIREMENTS

North Carolina counties budget and spend money under the Local Government Budget and Fiscal Control Act (LGBFCA), as adopted by the North Carolina General Assembly. The major effects of the LGBFCA on the budgetary process are as follows:

#### *Budget Forms and Procedures*

The budget officer must prescribe the forms and procedures for the departments to use in preparing their request. In the words of GS 159-10, requests shall be made in such form and detail, with such supporting information and justifications, as the budget officer may prescribe. GS 159-10 also requires that a budget request show actual expenditures for the prior year, estimated ones in the current year, and requested ones for the coming budget year.

#### *Departmental Requests*

GS 159-10 requires that the budget request for a department include revenues or fees that it will collect in the budget year.

#### *Budget Preparation Calendar*

The LGBFCA establishes the dates by which each stage in the annual budget process is to be completed (GS 159-10 through 13). These dates are as follows:

- Departmental requests, other than the public schools, must be submitted to the budget officer before April 30<sup>th</sup>.
- School administrative units and community colleges must submit their proposed budgets and their requests for County appropriations and supplemental tax levies no later than May 15<sup>th</sup>.
- The recommended budget must be given to the Board of Commissioners no later than June 1<sup>st</sup>.  
**The Commission must enact the budget ordinance by July 1<sup>st</sup>, when the budget year begins.**

### *Recommended Budget*

GS 159-11 requires that the budget officer's recommended budget be balanced unless the Board of Commissioners insists that an unbalanced budget be submitted. It is also required that the budget be submitted to the Commissioners with a budget message. GS 159-11(b) states that the message should include:

- A concise explanation of the governmental goals fixed by the budget for the budget year.
- Important features of the activities anticipated in the budget.
- The reasons for stated changes from the previous year in program goals, programs, and appropriation levels.
- Any major changes in fiscal policy.

### *Board Review*

Once the budget is before the Board of Commissioners, several general legal provisions apply to Board review and adoption of the budget ordinance.

- At least ten days must pass between submission of the budget and adoption of the budget ordinance.
- On the same day the budget is submitted to the Board of Commissioners, the budget officer must file a copy of it in the office of the Clerk to the Board where it is available to the public and press.
- The Clerk to the Board must publish a notice that the budget has been delivered to the Board of Commissioners and is available for public inspection. This advertisement must also note the time and place of the required public hearing.
- During the interval between submission and adoption, the Board may conduct its review at both regular and special meetings. At least one of these dates must be a public hearing at which any person who wishes to comment may.
- The Open Meeting Law (GS 143-318.9 through 318.18) applied to the budget preparation and adoption process.

### *Adoption of the Budget Ordinance*

The budget ordinance must contain the appropriations, the estimated revenues, and the property tax levy as well as rate.

## **BUDGET PROCESS**

As required by the Local Government Budget and Fiscal Control Act (GS 159, Article 3), the governing board must adopt by July 1<sup>st</sup> an annual balanced budget ordinance for all funds except for those funds that operate under project ordinances.

Budgetary control is exercised in all funds except the agency funds. Appropriations are made at the departmental (function) level and amended as necessary. The current budget amounts represent the budget as of December 31<sup>st</sup> of the current budget year. The budget was prepared on the modified accrual basis of accounting as required by North Carolina General Statute 159-26(c). Appropriations lapse at year-end in the General and Special Revenue Funds for which annual budgets have been legally adopted, with the exception of those departments participating in the reinventing program. The Capital Projects Funds' budgets are adopted on a project basis, spanning more than one year. Appropriations are carried over in these funds until the project is completed.

The County follows these procedures in establishing a budget:

1. The Budget Officer is the County Manager and as such, the Budget and Management Office is part of the County Manager's Office. The Budget and Management Office consists of a Budget and Management Director and two Budget and Management Analyst positions. It is supervised by an Assistant County Manager and receives assistance from the County's ICMA Management Fellow.

2. In October the County Board of Commissioners holds a retreat to discuss issues, priorities and countywide goals for the upcoming fiscal year. These goals become the driving force behind initiatives to be considered and included during the budget cycle.
3. Each Fall, the Budget and Management Office works with departments and management to update the County's long range financial plans including Eight Year Capital Improvement and Operating Plans.
4. During the months of October and November the Budget and Management Office prepares Revenue and Expense projections for the upcoming fiscal year. Revenues are projected for our main funding sources, property and sales tax, based on trends and economic forecasts for our area.
5. A planning retreat is held in December that includes all County department heads and superintendents of the County's three school systems and community college. Revenue and expense projections are shared and, based on available revenues, a starting point for the budget is determined including allowable increases for salaries, benefits, and operating budgets.
6. The Budget and Management Office establishes a beginning base for each department that includes the allowable increases for salaries, benefits and operating budgets. In developing their budget requests the staff is instructed that any funding requests for program or service expansions or equipment beyond the base amount is to be thoroughly justified and will be weighed against other competing needs and available funding. The role of budget staff is to analyze the requests and justifications and make sound funding recommendations to the County Manager.
7. In December, departments are given pertinent budget information, funding parameters, and the goals established by the Board of Commissioners.
8. In January, the reinventing departments submit requested outcomes, and departments not in the reinventing program as well as outside agencies submit budget requests to the Budget and Management Office.
9. During February and March, the Budget and Management Office analyzes requests for the non-reinventing departments and outside agencies, negotiates outcomes with departments, and prepares a recommended budget for the County Manager.
10. During March and April, the County Manager conducts a series of budget hearings with the department managers and agency directors. He then submits a recommended budget to the Board of Commissioners. The budget includes proposed expenditures and the means of financing them.
11. The Board of Commissioners conducts budget hearings with the department managers and agency directors in May or June.
12. A Public Hearing is conducted to obtain taxpayer comments.
13. Prior to June 30<sup>th</sup>, the budget is legally enacted through passage of an ordinance.
14. Budgets for General, Special Revenue, and Capital Projects Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). The Board of Commissioners annually adopts a budget by ordinance appropriating funds, and may during the year authorize supplemental appropriations. Supplemental appropriations are reviewed by the Director of Finance and the Budget and Management Office, submitted to the Finance and Personnel Subcommittee, and then transmitted to the Board of Commissioners for their review and approval. If approved, they are implemented by budget revision.

**FISCAL YEAR 2016/17 BUDGET CALENDAR****Thursday, October 29, 2015**

First Draft of Revenue & Expense Forecast review

**Tuesday, November 10, 2015**

Follow-up Revenue & Expenditure Forecast Discussion/DH Retreat Prep

**Monday, November 16, 2015**

Final Revenue & Expenditure Forecast Discussion/DH Retreat Prep

**Thursday, November 19, 2015**

Financial Portion of Department Head Retreat

**Monday, December 7, 2015**

Budget Kickoff

**Friday, January 8, 2016**

Fiscal Year 2016/17 outcomes due from all departments

**Wednesday, January 20, 2016**

Mid-year report on Fiscal Year 2015/16 outcomes due from all departments

**Friday, January 29, 2016**

Budgets are due from all departments, schools, and outside agencies. All requests keyed into system, including all detail and justification sheets.

**Friday, March 11, 2016**

Recommended budget sent to County Manager

**Monday, Tuesday, and Wednesday, March 21, 22, 23, 2016**

First round budget hearings with County Manager

**Wednesday, April 6, 2016**

Department 2<sup>nd</sup> Round Hearings with County Manager as needed

**Tuesday, April 25, 2016**

2<sup>nd</sup> Round School Hearings

**Monday, May 23, 2016**

County Manager's recommended budget sent to Board of Commissioners

**Tuesday, May 24, 2016**

County Manager's Press Conference

**Tuesday, May 31, 2016 (8:00 a.m. – 5:30 p.m.)**

Board of Commissioners' hearings with departments

**Thursday, June 2, 2016 (7:00 p.m.)**

Public Hearing and Wrap-up

**Monday, June 6, 2016 (9:30 a.m.)**

Budget Adoption



### ACCOUNTING STRUCTURE AND SYSTEMS

As a means of tracking and accounting for money, the operations of the County are divided into Funds. The easiest way for most people to think about funds is to compare them to bank accounts. Money comes into a fund from a variety of sources and is then used to provide services to the public. As with a personal bank account, funds have to take in at least as much money as they spend, and by law, budgets for funds must be balanced. What this means is a governmental unit cannot plan to spend more than it will take in. Catawba County has 36 funds with the largest being the General Fund.

The General Fund is often referred to as the operating fund because almost all County services are accounted for in this fund. The General Fund is also where most of the revenues are received. Other funds are used to keep track of capital expenditures, build reserves, and account for enterprise functions. For example, the Schools' Capital and Construction Projects Funds are where new schools and improvements to existing schools are funded. Funds are also reserved in the Schools Construction Fund for future debt service needs related to school building projects. The Water and Sewer Capital Projects Fund is where water and sewer construction projects are budgeted. Again, using the example of the bank account, a transfer is when money is moved from one account (fund) to another to be saved or spent for a specific purpose.

Within Funds are Departments (i.e., Sheriff's Department, Public Health Department) and within Departments are Organizations (i.e., Narcotics Organization, Nursing Organization). Each of these accounting units facilitates the tracking of costs and effectiveness of services provided to the public.

Within Organizations are accounts or line items. These are the basic units of measure in the budget and make it possible to determine, for example, how much money is spent on books in the Main Branch of the Library.

This document does not show every line item, but groups the line items in easier-to-read, general categories. For example, all money received from the State is shown in that major category, despite the fact that there may be several different line items or types of State revenue. Expense categories shown in the budget are: Personal Services, Supplies and Operations, and Capital Outlay. *Personal Services* include salaries, benefits, and contracted services. *Supplies and Operations* include office supplies, books, travel, utilities, and other similar costs. *Capital Outlay* accounts for the purchase of equipment that costs more than \$5,000.

Another term is *function*. The budget document is divided into functions (each function has a divider page). A function is a group of departments that accomplish a similar general purpose. For example, the Public Safety Function is made up of the Sheriff's Department and the Emergency Services Department. The functions of the General Fund make up the first seven sections of this document, and all remaining funds are in the section title Other Funds. Each department has a summary sheet that shows the total funding for that department and how the dollars will be spent. The organizations within each department have pages listing the objectives/outcomes to be achieved and major categories of funding sources and expenses.