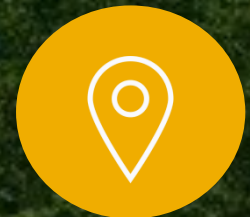


FY 2017/18 Adopted Budget

Mick Berry, County Manager



June 5, 2017



FY18 Budget Overview



- Total = \$259,240,614 (\$4.6M or 1.9% excluding CVMC debt)
- General Fund = \$195,286,953 (\$3.7M or 2% excluding CVMC debt)
- Property Tax Rate = \$0.575 per \$100 valuation



Changes to the Manager's Rec.

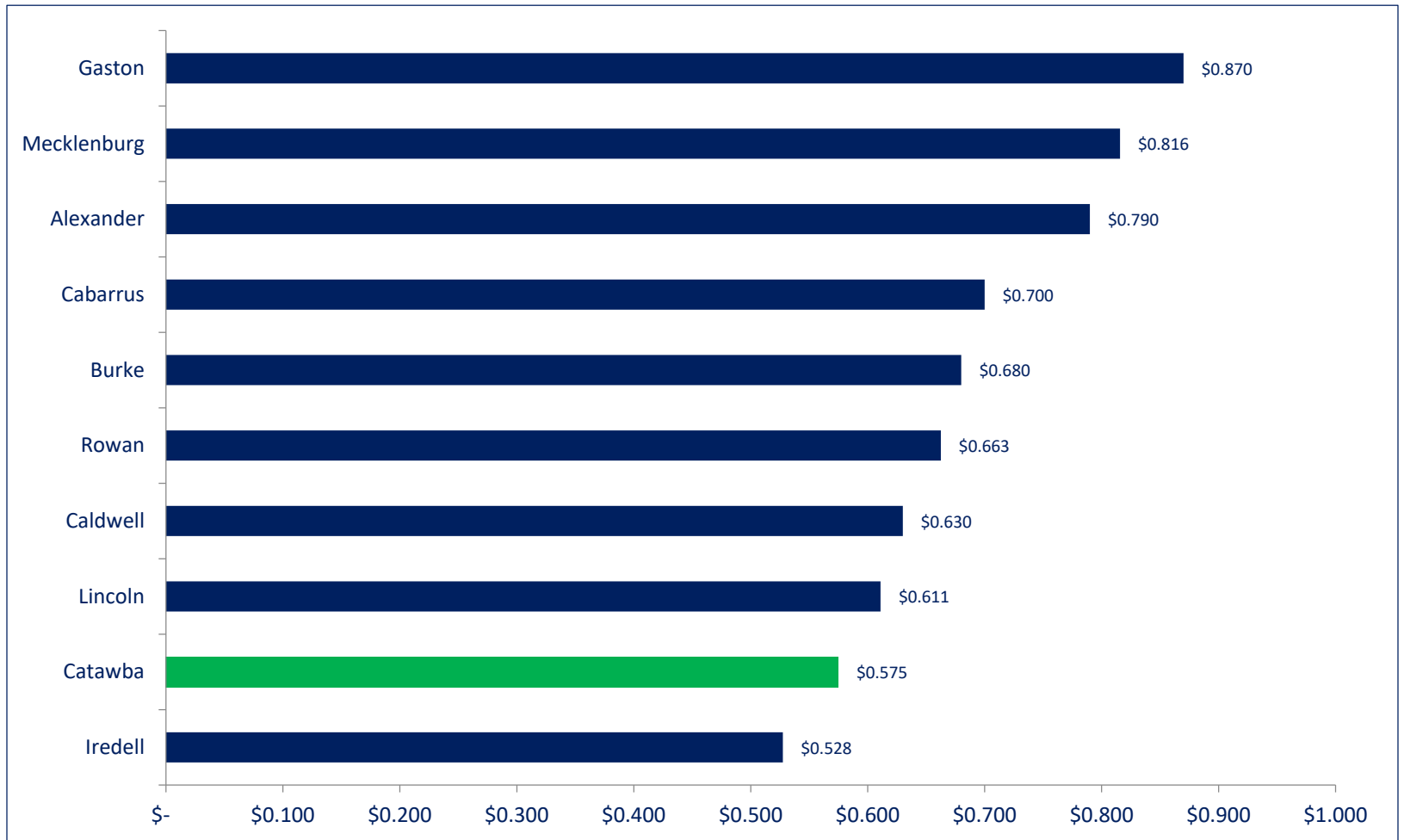


- SALT Block: allocate \$12,500 in additional General Fund dollars for total funding of \$87,500
- Newton-Conover Auditorium Authority: allocate \$2,500 in additional General Fund dollars for total funding of \$13,000
- N-CCS High School Cafeteria / Kitchen project: allocate \$3 million, with requirement for master campus plan to be developed prior to release of funds



Continued Tradition as High-Value Community

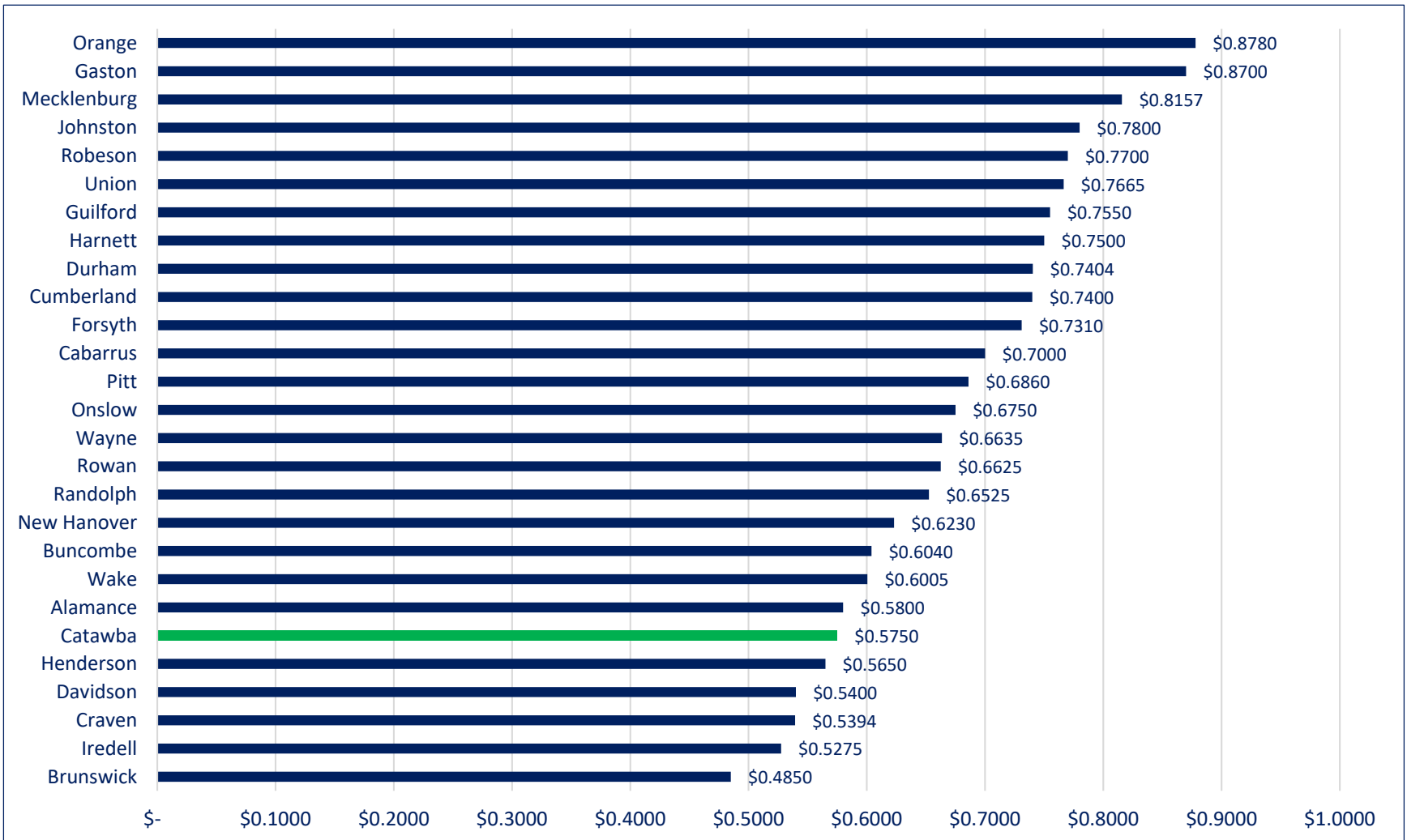
Catawba County's tax rate is 2nd lowest among neighboring counties





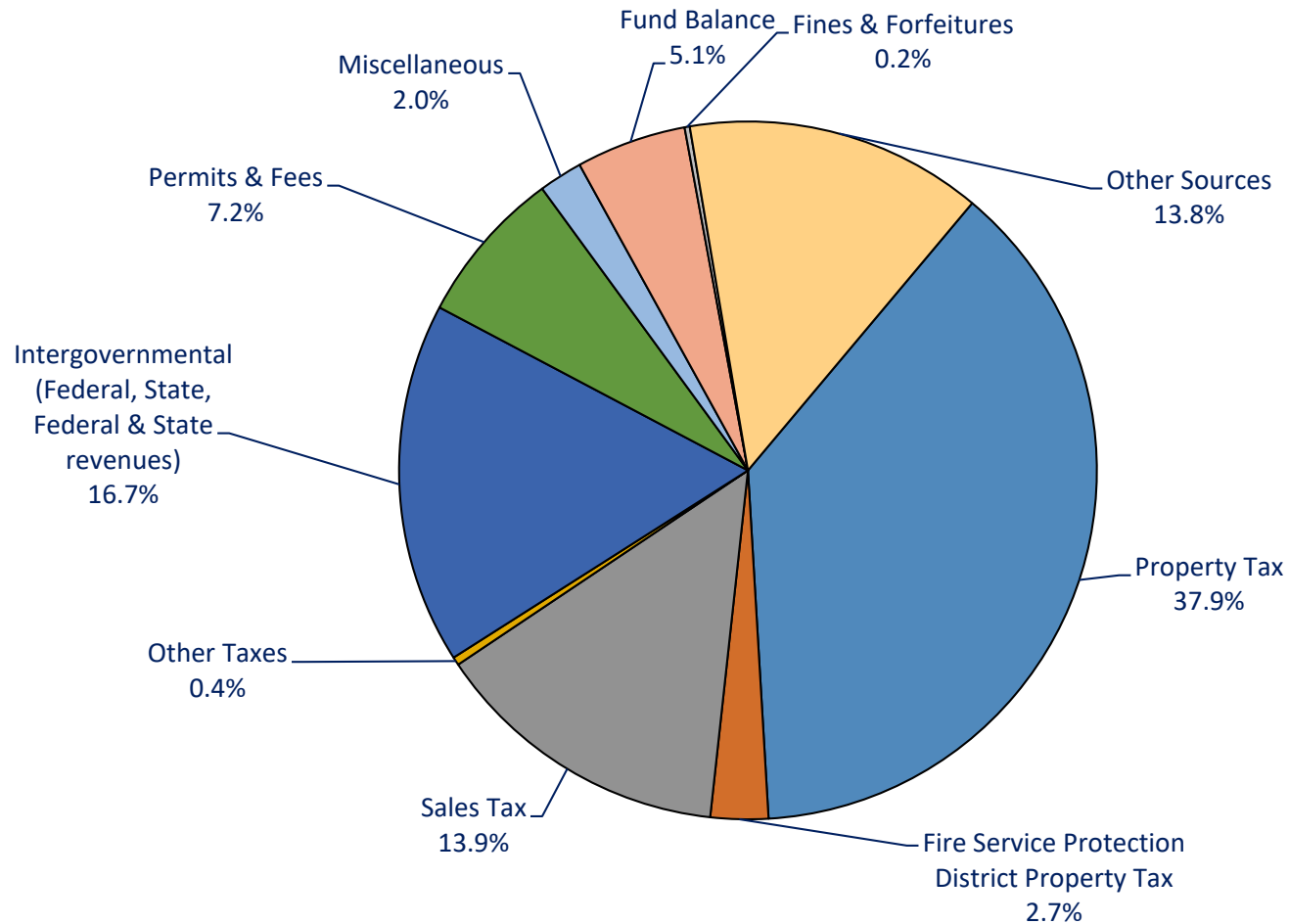
Continued Tradition as High-Value Community

Catawba County's tax rate is 6th lowest among 27 urban counties





Diverse Mix of Revenues Supports Services



*Of \$259.2M total budget, \$142.3M (54.9%) is truly locally controlled

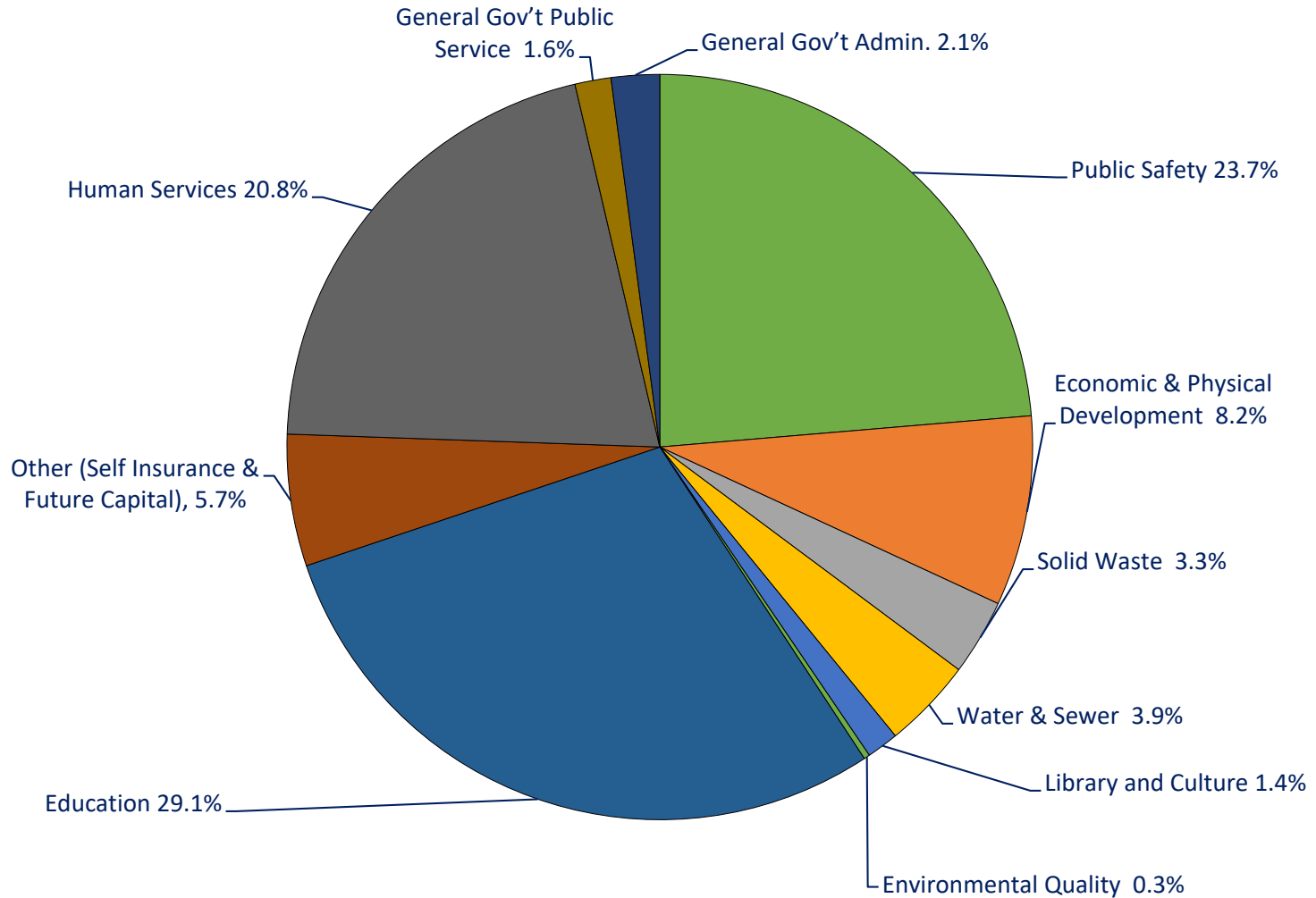


Economic Growth Reflected in Revenue

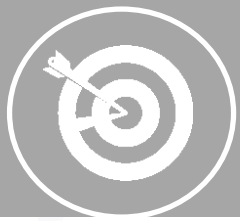
- Property Tax: 3% tax base growth (\$441M) = \$2.7M revenue
- Sales Tax: Conservative estimates trued up to reflect 2.4% growth on FY15/16 actuals = \$3.5M revenue
- Fund Balance reflects prudent management of reserves and history of conservative projections:
 - \$59.8M General Fund available (35.4% of expenditures)
 - \$34.1M General Fund unassigned (20.2% of expenditures)
 - Well above State-required 8% minimum and BOC policy of 16%
- Fee adjustments
 - Ambulance fees adjusted to maximize Medicare reimbursement
 - Building Plan Review fees: greater equity in formula for recouping costs from bigger / more complex projects



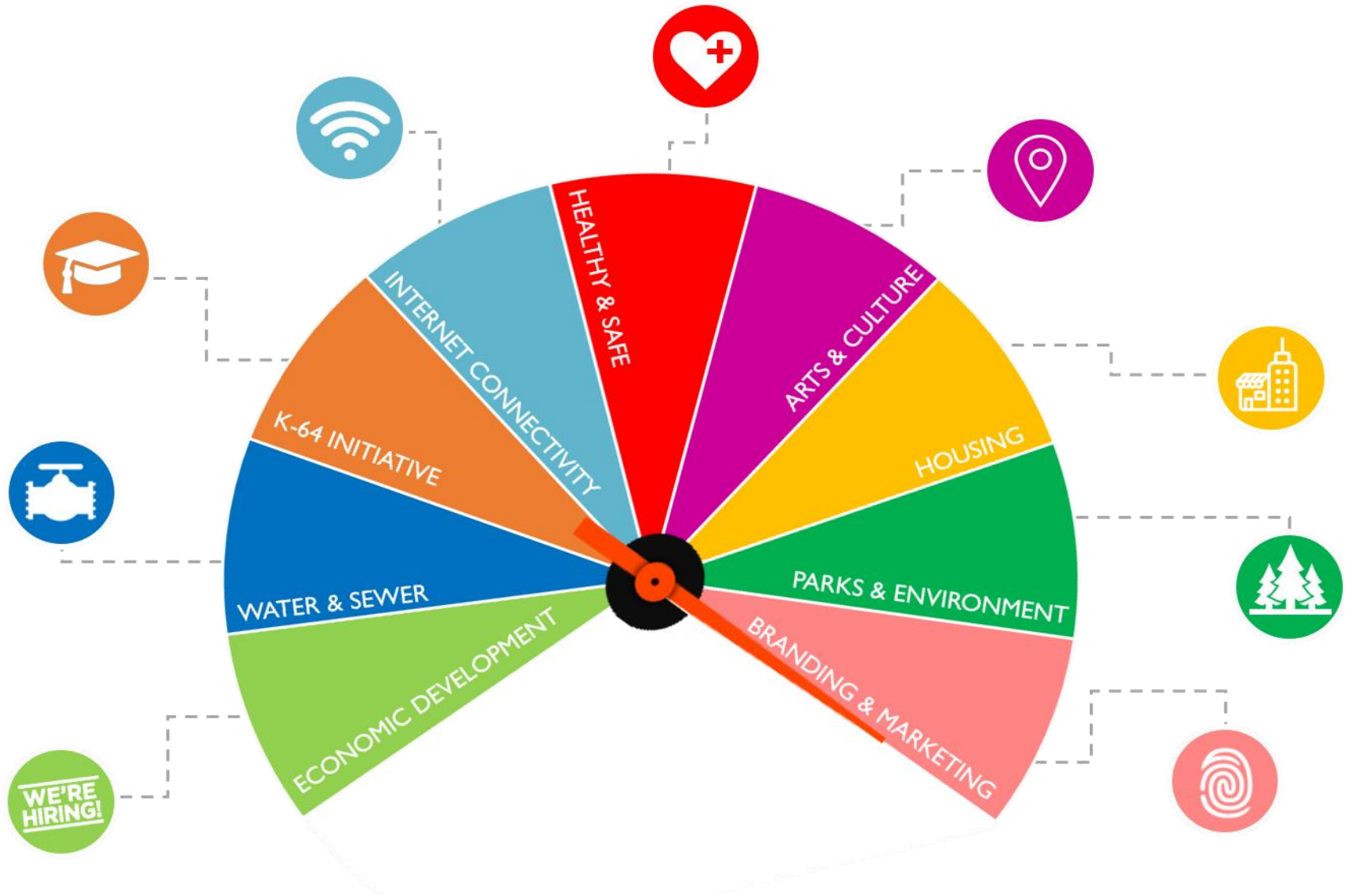
Education, Public Safety, Human Services Comprise 74% of Total Budget

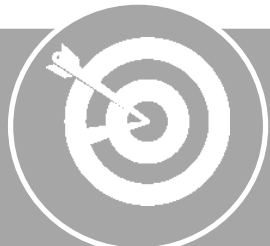


These same services comprise 80% of locally controlled expenditures



Adopted Budget Implements BOC Strategic Initiatives

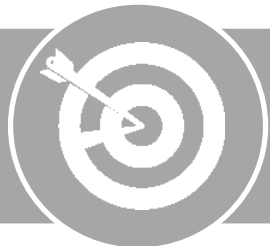




Adopted Budget Implements BOC Strategic Initiatives

SEPTEMBER	OCTOBER	NOVEMBER
<ul style="list-style-type: none"> > 09/06/2016: Process > 09/26/2016: BOC Expectations 	<ul style="list-style-type: none"> > 10/03/2016: Economic Dev. > 10/10/2016: Water and Sewer 	<ul style="list-style-type: none"> > 11/07/2016: K-64 > 11/14/2016: K-64
DECEMBER	JANUARY	FEBRUARY
<ul style="list-style-type: none"> > 12/05/2016: Broadband > 12/12/2016: Healthy and Safe Community 	<ul style="list-style-type: none"> > 01/09/2017: Arts and Culture > 01/30/2017: Mountain Creek Park 	<ul style="list-style-type: none"> > 02/06/2017: Housing > 02/13/2017: Parks, Community Branding / Marketing
MARCH	APRIL	MAY
<ul style="list-style-type: none"> > 03/13/2017: Budget Briefings with BOC > 03/23-24/2017: Wake & Durham County Site Visits with BOC 	<ul style="list-style-type: none"> > 04/27-28/2017: Budget Briefings with BOC 	<ul style="list-style-type: none"> > 03/13/2017: Employee Meetings on Budget > 05/15/2017: Recommended Budget to BOC
JUNE	JULY	AUGUST

BOARD WORK SESSIONS

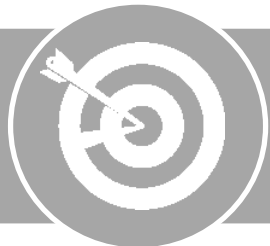


Adopted Budget Implements BOC Strategic Initiatives



Education:

- \$1.3M set-aside for K-64 initiative
- \$42.7M schools current expense (\$1.1M increase)
 - \$1,587 per pupil (3% increase)
 - State-wide rank of 52nd in total current expense funding (up from 56th)
- \$4.2M for CVCC (4.4% increase)
- \$5.3M schools capital
 - Catawba County Schools: \$3.28M
 - Hickory Public Schools: \$980,324
 - Newton-Conover City Schools: \$771,373
 - CVCC: \$300,000
- \$7.6M new allocation for schools construction (\$12.9M total)
 - CVCC Equipment & Renovations: \$3.5M
 - CCS system-wide re-roofing Clyde Campbell & Claremont kitchens/cafeterias, planning funds: \$5.255M
 - N-CCS High School Kitchen / Cafeteria: \$3M
 - HPS Jenkins & Oakwood Elementary renovations: \$1.13M

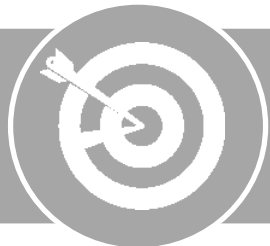


Adopted Budget Implements BOC Strategic Initiatives

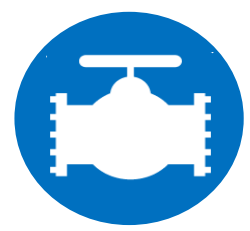


Economic Development:

- \$462K: increased jobs / tax base incentives
- \$152K: future projects set-aside
- Park 1764: Continued development focus in partnership with Hickory
- 2nd speculative building in Claremont
- Building Inspectors
- Permit & Inspections software set-aside
- Environmental Health Inspector
- Landfill Operator and Grounds Attendant



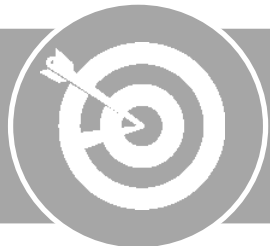
Adopted Budget Implements BOC Strategic Initiatives



Water and Sewer Infrastructure:

Major Revenues

Property Tax	\$1,650,000
1/4 Cent Sales Tax	\$ 803,907
Duke Energy Water Repayment	\$2,500,000
Domestic Haulers	\$ 93,000
Capital Fees	\$ 198,000
Municipal Revenue-Sharing Payments	\$ 688,000
Existing Funds from Completed Projects	\$1,171,767
Fund Balance Applied	<u>\$3,845,465</u>
	\$10,950,139



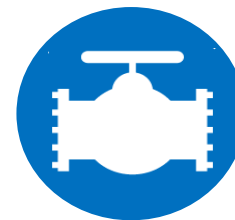
Adopted Budget Implements BOC Strategic Initiatives

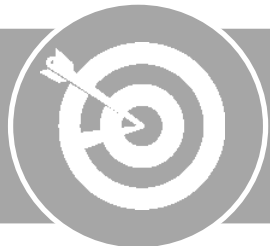
Water and Sewer Infrastructure:

\$8.45M in capital projects to lead growth

- \$3.55M Balls Creek Water (Hwy 16)
- \$2.5M Duke Energy Water
- \$1.1M Hwy 150 Sewer Phases I & II
- \$1.3M Future Project Set-Asides

\$2.5M in debt service and operating expense





Adopted Budget Implements BOC Strategic Initiatives



Healthy, Safe Community:

- **\$23.1M Jail Expansion capital project**
 - \$9M cash on-hand from jail bed rental
 - \$800K dedicated property tax
 - \$13.3M new debt
- **\$520K JPSC opening – annualized costs**
 - Previously approved positions
 - Utilities, maintenance, etc.
- **\$270K Jail Operating funding to relieve overcrowding**
- **\$102K Community Relations Sgt / SRO Supervisor**
 - Salary / benefits
 - Vehicle, fuel
 - Equipment & other related costs
- **\$50K BCDCF Contract increase**



Adopted Budget Implements BOC Strategic Initiatives

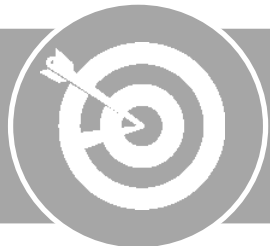


Healthy, Safe Community:

- \$640K Partners BHM maintained at current level; increased flexibility to allow for exploration of behavioral health hub
- \$10K Veterans Service Technician

Fire Service Protection District Tax Rates

- Claremont Rural: \$0.09 (1-cent increase)
- Hickory Rural: \$0.12 (3-cent increase)



Adopted Budget Implements BOC Strategic Initiatives



Parks and Environment:

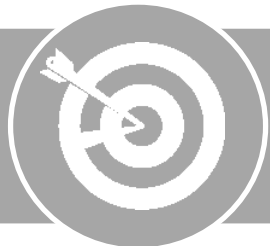
- \$125K Mountain Creek Park planning
- \$100K Riverbend Park expansion
- \$220K Parks amenities improvement



Community Branding and Marketing:

- Continued emphasis on promoting quality of life



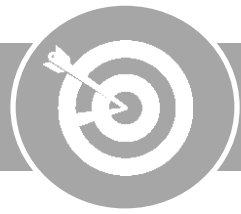


Adopted Budget Implements BOC Strategic Initiatives



Arts and Culture:

- Maintains funding to United Arts Council of Catawba County, Catawba County Historical Association, Hickory Libraries
- Reduces funding to SALT Block Foundation
- Reduces funding to Newton-Conover Auditorium
- \$250K St. Stephens Library HVAC replacement
- \$100K Library Tech / Facilities upgrades



Implementing Strategic Plan



Maintaining Operations and Services

- \$1M Government Center complex improvements
- \$308K Technology server & desktop application upgrades
- \$300K Technology infrastructure upgrades
- \$100K Facilities general renovations
- Maintaining responsible capital replacement cycle (equipment, vehicles)
- 1,080.7 full-time employees; increase of 4.25
- 3%+ based on performance
- \$763K increased County contribution—insurance premiums
- \$238K increased employee contribution – insurance premiums
 - \$581K increased out-of-pocket risk / reduced benefit
- Updated dental coverage (first update since pre-2010)
- Other benefits remain the same

Questions? Comments?

