



## CATAWBA COUNTY

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June 26, 2007

Dear Citizens of Catawba County:

It is always a difficult task to balance the needs of the County with our desire to maintain a low tax rate for the citizens. The review and final approval of the Fiscal Year 2007/08 budget proved to be extremely challenging as we weighed this desire against the growing needs of our County. The approved budget does include a property tax increase; however, this was not our method of choice for generating new revenue needed to fund jail expansion and education. If the General Assembly had granted our request for a one cent local option sales tax, a property tax increase would not have been necessary. With a sales tax, all citizens would share in the cost of needed improvements and we would not be forced to once again only tax those who own property in our County. At this time the State budget has not been adopted. Should the General Assembly grant the sales tax option, the County would lower the property tax rate in 2008.

In lieu of a sales tax option, the budget includes a 6.75 cent property tax increase which will result in a tax rate of \$0.535 per \$100 of valuation. This is 2.25 cents lower than the 9 cent increase recommended by the County Manager and deleted additional funding for school operations, school construction, and water and sewer projects. As Commissioners, we struggled with the decision and tried to mitigate the impact of a tax increase in light of the challenges our local economy has endured over the past 6 years. Even when our economy was at its lowest we knew the right thing to do was continue to plan ahead, building and improving our schools and community college, and making investments in our infrastructure in spite of economic set-backs. Our can do approach has paid off as we continue to see positive changes taking place in our local economy. These include an unemployment rate that continues to decline from a high of 9.4% in 2002, back down to the current rate of 5.3%. But in the area of funding for education we have fallen behind. Our County currently ranks 14<sup>th</sup> highest in population out of 100 counties but only 39<sup>th</sup> highest in per pupil current expense funding for schools. CVCC currently ranks 43<sup>rd</sup> out of 58 community colleges in County support. This budget makes needed investments in our students, the future of our County, with the knowledge that the potential return of this investment can be enormous in years to come.

Three cents of this tax increase will pay the operating cost and debt on the \$18 million expansion of the Catawba County Detention Center, a commitment that was made when the project began in 2003.



*"Keeping the Spirit Alive Since 1842!"*

This is a facility that serves not only the County but all cities within the County. There are many ways we would rather be spending these dollars. In a perfect world building jails would not be necessary. But in reality we are mandated by law to house criminals and protect the public from those who break the law. The jail built in 1979 has been overcrowded and inadequate for this purpose for several years. This was a project long overdue that could no longer be put off.

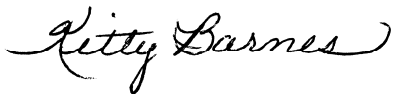
On a more positive note, two cents will go toward financing the next four year cycle of school and community college construction and renovations. These projects will include a new elementary school, expansions of classroom space and cafeterias for schools that are over 100% of capacity and other building updates and renovations. This will allow Catawba County Schools to remove 30 of their current 55 mobile classrooms. Projects also include a much needed facelift for our 50 year old community college.

Of the tax increase, 1.75 cents will fund school operations and needed technology. It will provide schools with the flexibility to implement more of the initiatives outlined in the FORESIGHT plan that make investments in education to improve the quality of our workforce and attract the best companies to Catawba County. Technology plays a huge role in this investment. Student access to computers and up-to-date technology are no longer a luxury but absolutely essential to meeting our educational goals. With over 60% of the desktop computers in our schools more than 5 years old and the ratio of students to computers below the State average, we need to do better. This additional funding will enable the schools to catch up and to stay current on technology needs.

This budget moves us forward as we continue to make the needed investment to ensure that citizens enjoy a high quality of life and that our County maintains a strong financial position in the future.

Sincerely,

CATAWBA COUNTY BOARD OF COMMISSIONERS



Kitty Barnes, Chair

*“Keeping the Spirit Alive Since 1842!”*

