



CATAWBA COUNTY

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June 2, 2008

Dear Citizens of Catawba County:

I am pleased to present to you the Catawba County Fiscal Year 2008/09 budget. This budget maintains the County's 53.5 cent property tax rate while making positive investments for our future including new schools construction and renovation projects, increased schools and Community College current expense funding, and water and sewer infrastructure. As we continue to grow, so do demands for County services, particularly public safety related services. The budget funds six (6) new positions in the Sheriff's Department dedicated to road patrol, investigations, court security and domestic violence; four (4) new EMTs to maintain our 8-minute response time for emergency medical calls; and two (2) new telecommunicators to maintain our 90-second dispatch time for all emergency calls. In response to citizen requests, County parks will open six (6) days per week instead of four (4) days per week for the first time since the State took our local inventory tax revenues in 2001. The budget also includes an 8-year plan to address service and capital needs including schools, water and sewer, solid waste, and County infrastructure.

The budget resulted in a realignment of fire district boundaries for Sherrills Ford-Terrell Fire by adding the entire fire district previously serviced by Denver Fire Department. This will be a positive change for Sherrills Ford residents with improved response times and lower overall insurance rates.

This budget brings positive revenue and expense changes that we have sought legislatively for several years. We continue to aggressively pursue additional local revenue options to more equitably distribute the cost of County infrastructure and services among all those who live, work, and shop in the County, not just property owners. During the 2007 legislative session, the General Assembly granted local authority to levy a ¼ cent sales tax which was overwhelmingly supported by Catawba County voters in the November referendum. While not the one cent we had requested, the ¼ cent sales tax will be used to fund economic development, water and sewer lines, school and community college operations, additions at the Justice Center, and a Public Safety Center, while avoiding a property tax increase to address these needs.

The 2007 legislative session also finally brought relief from the ever growing burden of Medicaid costs, accomplishing the County's number one legislative goal. North Carolina was the only remaining state in the nation to require counties to share in the cost of Medicaid services. Our share of Medicaid will be phased out over roughly two years and is scheduled to be complete by July 1, 2009. This relief came at a price though, because the State took revenue from a half-cent sales tax previously received by counties. While not the



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windfall we had hoped for, this exchange should pay dividends as Medicaid costs have been growing at approximately double the rate of growth in sales tax revenues.

As promised, support of an increase in the Homestead Exclusion income exemption from \$25,000 to \$35,000 is the top priority on our legislative agenda. I am pleased to report that our legislative delegation has introduced bills in both houses to address this change, and these bills are currently under consideration by the General Assembly.

I thank my fellow County Commissioners, our legislative delegation, and the citizens of Catawba County for their trust and support of our continued efforts to meet our citizens' needs.

Sincerely,

CATAWBA COUNTY BOARD OF COMMISSIONERS

A handwritten signature in black ink that reads "Katherine W. Barnes". The signature is written in a cursive style with a large initial 'K'.

Katherine W. Barnes, Chair

"Keeping the Spirit Alive Since 1842!"

